

# DAILY REPORT

## Asia & Pacific

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GOVERNMENT ANNOUNCES TRADE ACTION PROGRAM

OW300203 Tokyo KYODO in English 0151 GMT 30 Jul 85

[Text] Tokyo, July 30 KYODO -- The Japanese Government Tuesday announced a much heralded three-year action program for market-opening measures to ease mounting foreign criticism of the country's huge trade surplus.

The seventh market-opening package since late 1981 was worked out by a task force of the government and the ruling Liberal-Democratic Party (LDP), chaired by Prime Minister Yasuhiro Nakasone, which started work April 19 in accordance with an undertaking made by Nakasone in unveiling a package of short-term market-opening measures April 9.

In a preface to the 127-page document, the government pledged to boost imports of foreign manufactured products by reducing government intervention, though no target for import volume was specified. The preface declared that Japan, which has been enjoying the benefits of free trade and is advocating a new round of world trade liberalization talks, will open up its market to a level exceeding international norms at any cost over the three years from April 9. Japan's surpluses on the trade and current accounts for fiscal 1985 are expected to hit record levels again following 45.6 billion dollars and 37 billion dollars, respectively, in the previous fiscal year.

Meanwhile, the program said Japan's trading partners are expected to make more efforts to penetrate the Japanese market rather than succumb to the lure of protectionism. The program's six chapters following the preface cover 1) tariff reductions, 2) import restrictions, 3) standards and certification systems and import procedures, 4) government procurement, 5) financial and capital markets, and 6) services trade, investment interchanges and emergency imports. The government earlier announced a package of tariff cuts of 20 percent or more on 1,853 of Japan's 2,400 imported products as part of the program, ahead of a meeting between Japan and the Association of Southeast Asian Nations (ASEAN).

All the 22 farm and fishery and five manufactured and mining products still under import control were excluded from the tariff reduction package, as LDP members, backed by farmers and other interests, strongly opposed liberalization of these products. The program said that problems associated with the 25 products will be discussed under the General Agreement on Tariffs and Trade (GATT).

A framework for simplification of standards and certification systems and import procedures was also announced early this month, apparently in preparation for Nakasone's recent tour of European countries. Concerning the certification systems, often criticized by foreign countries as nontariff barriers, the program called on the government to accept in principle foreign data on clinical tests, to transfer certain items now requiring government approval to self-certification systems, and to allow foreigners to attend meetings of government advisory councils as observers. The program said a total of 88 concrete steps will be taken to remove the invisible trade barriers.

But the scope of concrete self-certification steps, to which Nakasone reportedly gave top priority in the program, was limited to 14 items including bottled carbonated beverages and electrical appliances, while, for example, automobiles, demanded by U.S. automakers like General Motors and Ford, were not among items eligible for certification by makers.

Among measures in the program to liberalize financial markets are abolition of controls on large-lot (more and 1 billion yen) deposits, liberalization of interbank deposits and relaxation of issue terms on Euroyen bonds carrying floating interest rates and Euroyen certificates of deposit (CDs).

In addition to 45 government departments and affiliates, 16 more public institutions will be allowed to procure foreign products through international bids under GATT rules, to expand government procurement drastically. They included Water Resource Development Public Corp., New Tokyo International Airport Corp. and Japan Highway Public Corp.

To promote investment interchanges, the program said the Japan Development Bank will reduce interest rates from the current 7.5 percent annually to 7.1 percent on loans for foreign firms planning to invest in Japan.

Foreign lawyers will be given the opportunity to practice in Japan, and an amendment to the Attorneys Law will be submitted to the next ordinary Diet session, scheduled to be convened in December, in the form of legislation by house members, according to the program.

The program envisaged promotion of overseas travel by Japanese nationals. Government officials estimated that payments for services to foreign countries will increase by 1 billion dollars per annum if the number of Japanese travelers, now totaling less than five million annually and paying an average of 1,000 dollars per person, increases by one million.

Supervisors will be appointed to check counterfeits of foreign products, coping with requests mainly by European Community (EC) nations, which have complained that goods with fake brands like handbags and accessories depress exports to Japan.

The government will form a committee to map out details of the proposed market-opening measures and monitor their enforcement, officials said.

#### KYODO Summary of Program

OW300515 Tokyo KYODO in English 0458 GMT 30 Jul 85

[Text] Tokyo, July 30 KYODO -- The following is a summary of the action program:

1. The world economy since the end of the last world war has undergone great development through the free trade system with the IMF and the GATT system at its basis.
2. Today's world economy, however, faces an unprecedented rise of protectionism against the background of those problems such as the delay in the structural adjustment as reflected in the high level of unemployment, and the large current account imbalance derived from those factors including the high value of dollar. Thus, the free trade system which is indispensable for the sustained growth of the entire world economy is now confronted with a serious situation of a commotion.
3. It is an important task for Japan, now accounting for one tenth of the economic output of the entire world, to make active efforts in maintaining and strengthening the free trade system as well as forming harmonious external economic relations and bringing about a stable world economic development through a balanced expansion of trade. Efforts in this direction, through increased imports, especially import of manufactured goods, which will bring about price stabilization and expansion of selection, will contribute to the further upgrading of the lives of the people.
4. It is with this view that Japan has decided to take the lead in internationalizing and opening up of its own economy as well as its society. From an independent, active, and comprehensive standpoint, the Government of Japan has drawn up a three-year "action program for the improved market access," based upon the following principles and intends to faithfully put it into implementation.

A goal intended through the implementation of the program is that Japan's market will achieve an openness exceeding the international standard.

(The principles of the action program)

- (1) On the basic standpoint of "freedom in principle, restrictions only as exceptions," government intervention shall be reduced to minimum so as to leave the choice and responsibility to consumers.
- (2) Positiveness, as befitting Japan's own position in promoting the new round, shall be pursued.
- (3) Special considerations shall be given so that the program can help promote the economic development of developing nations.

The problem of trade imbalance cannot be resolved by measures taken by the importing country alone. Japan has fully opened its doors to the world and hopes that its trade partners will make the best of this opportunity, by accelerating their export efforts to Japan.

#### Chapter I. Tariffs

In order to contribute to the maintenance and strengthening of the free trade system, the early initiation of the new round, the cooperation with developing countries, the encouragement of importing manufactured goods, the Government of Japan has decided on the following outline of the action program concerning tariffs and will take necessary procedures.

##### I. Promotion of the new round

##### 1. Industrial and mining products

##### (1) Indication of the goal for tariff negotiations for industrial products

In order to expand and to improve the scope and contents of the tariff concessions by each country and to strengthen the GATT system through the new round negotiations, the Government of Japan will announce its readiness to reduce tariff rates on industrial products to zero along with other advanced industrialized countries. It will actively promote such tariff negotiations in the forthcoming new round.

From this viewpoint, the Government of Japan will also vigorously promote the elimination of the tariff rates of products with low tariff rates and substantial reduction or elimination of tariff rates on many other products.

##### (2) Elimination of tariff rates and other measures

1) As the first step towards the goal mentioned above, the Government of Japan will promote negotiation with interested parties prior to the new round for the elimination of tariff rates on high-technology products listed in attachment 1 in order to revitalize the world economy urgently through expanding trade on high-technology products.

2) The Government of Japan will carry out unilateral elimination of tariff rates on low tariff rate products (approximately 30 tariff concession products) with tariff concession at or below 2 percent with a view to implementation on April 1, 1987.

## 2. Agricultural and fishery products

The Government of Japan will promote tariff negotiations in the new round, considering the special characteristics of agriculture, and taking into account the rectification of tariff escalation and other factors.

### II. Elimination and reduction of tariff rates

In view of the recent international economic situation, the Government of Japan will eliminate or reduce the tariff rates on more than 1800 products in terms of the tariff line (including the products of the generalized system of preferences) from the earliest possible time of 1986 (April 1, 1987, for some products).

1. Tariff rates on the products listed in the attachment 2 will be eliminated or reduced.

2. With respect to other products, tariff rates will be reduced by 20 percent in principle as described in attachment 3. If injuries to domestic industries are caused to the considerable extent by import surge or other circumstances due to this measure, suspension of the measure on related products may be introduced.

As regards the reduction of tariff rates on softwood and hardwood plywoods and other panel products, the Government of Japan shall implement the reduction as from April, 1987, pursuant to the external economic measures decided on April 9, 1985.

### III. Improvement of the generalized system of preferences

#### 1. Industrial and mining products

##### (1) Self-initiated improvements

In relation to the implementation of the across-the-board reduction of tariff rates, necessary improvements will be made such as reduction of the tariff rates on SP products at the earliest possible time in 1986.

The Government of Japan will improve the ceiling system and expand the quotas with the aim of implementation from April, 1987. It will also take the initiative in leading other countries, to make fundamental improvements in the generalized system of preferences based upon the international principle advocated as in (2) below.

##### (2) Advocacy of the international principle

The Government of Japan proposes to establish an international principle consisting of the following three points for the purpose of rendering positive support to the efforts of the developing countries to industrialize and to export as well as for the purpose of promoting, by coordinated efforts of the industrialized countries, the fundamental improvement in the generalized system of preferences with the aim of implementation by the time of transition to the International Convention on the Harmonized Commodity Description and Coding System (H.S.)

1) Freeze and reduction of the product exclusion for the generalized system of preferences

2) Principle of zero tariff rates in the generalized system of preferences

### 3) Consideration for the least developed countries

## 2. Agricultural and fishery products

For the purpose of supporting the export efforts by the developing countries, the Government of Japan will make efforts to improve the generalized system of preferences such as expansion of the items subject to the system and reduction of the tariff rates under the system, bearing in mind their relations with the negotiations in the new round.

Also, in accordance with the across-the-board reduction of tariff rates, necessary reductions and adjustments will be made concerning the tariff rates under the generalized system of preferences.

## Chapter II. Import quota

With regard to import quota, Japan shall take actions as follows.

### I. Agricultural and fishery products

On those agricultural and fishery products subject to import quota, Japan shall take actions, in accordance with the following guidelines, in the consultations and negotiations at the GATT and other fora among the interested countries.

Based upon these consultations and negotiations, Japan shall make efforts to improve its market access, so that it will conform with the international trend, while giving considerations to the actual situations of the domestic agriculture and fishery industries.

1. Bearing the new round in mind, the GATT Committee on Trade in Agriculture has already initiated the work to draw up new rules that will cover all such measures affecting trade in agricultural products as import quota including those with waiver, import surcharges, export subsidies, etc. The committee's work aims at achieving:

- (1) Further incorporation of trade in agricultural products in the GATT system;
- (2) Improvement of conditions for market access; and
- (3) Placement of export competitions under stricter disciplines.

The committee, at the same time, is to give due consideration to the special characteristics of agriculture in the work of rule making. Japan will actively participate in the forming of a consensus on these rules in the GATT, thereby promoting the committee's work and negotiations for the new round.

2. With respect to beef, citrus fruits and other agricultural products on which arrangements are made among the interested countries, Japan shall observe the arrangements in good faith. Also, with regard to their handling after the expiration of the present arrangements, Japan shall start the consultations one after another, according to the arrangements, and shall take appropriate actions with sincerity.

## II. Industrial products

With regard to the import quota on leather and leather footwear, Japan shall take appropriate actions at the GATT forum.

### Chapter III. Standards and certification, and import procedures

#### I. Basic orientations

1. The government has conducted a thorough checkup of all legally established standards and certification systems from the viewpoints of "freedom in principle, restrictions only as exceptions," "limiting exceptional restrictions to a necessary minimum," "consumer selection and responsibility to the fullest extent," "promoting awareness of producers' duties and responsibilities," and the government has decided on its own initiative to adopt the measures described in attachment 1 in order to improve access into Japanese markets.
2. Japanese standards and certification systems were reviewed in comparison with similar systems to the extent possible abroad and consideration was given to ensure that Japanese systems would be as much open as those of other countries in terms of market accessibility.
3. More than two hundred cases of requests from in and out of the country were all examined thoroughly and dealt with in good faith.
4. With regard to the achievements so far made by a series of Japan-U.S. hi-level four-sector consultations initiated by the summit meeting between Japan and the U.S. in January this year, the progress on standards and certification systems, etc. is shown in the supplementary information of attachment 1. The benefits of these achievements are not limited to the U.S. alone but to be widely enjoyed by many other countries.

#### II. Main points of the action program

1. In order to limit government intervention to a necessary minimum and to enable the principle of free competition to work as effectively as possible in Japanese markets, self-certification systems shall be introduced and expanded among others; together with reduction in the number of items covered by standards and certification systems, and the number of standards, themselves.
2. Measures shall be taken to give foreign products as fair and equal opportunities of access to Japanese markets as domestic products. For this purpose, test data of foreign products generated in foreign countries shall be directly accepted by Japanese authorities to the extent possible so that their introduction into Japanese markets meets the licensing and other requirements.
3. Transparency in the policy making process shall be ensured through such means as reflecting the views of representatives of foreign interests in the drafting or revising of standards in order to secure fair competition in the Japanese market.
4. Measures shall be taken to make certification procedures as simple and expeditious as possible, in order to facilitate market access.
5. Paying attention to the flow of goods, measures shall be taken to simplify procedures at the time of the entry of foreign goods into Japanese market. For this purpose, import procedures of foreign goods shall be made as simple and expeditious as possible through such means as expanding the scope of cases which require no import notification procedures and expanding the scope of relegation to the customs services.

## Chapter IV. Government procurement

### I. Drastic improvement of contract procedures

#### 1. Thorough review of single tendering

(1) In order to ensure the basic guideline that the competitive tendering is adopted in principle while single tendering is adopted only as an exception, single tendering shall be reduced through such measures as repetitive re-tendering, review of terms and conditions of tendering and intensified internal inspections of procedures.

#### 2. Improvement of the operation of competitive tendering

(1) To increase the chances for foreign suppliers and others to participate in competition, the bid time (currently no less than 30 days) shall be extended to no less than 40 days and delivery time shall also be extended to the extent possible.

#### 3. Improvement of qualification procedures

(1) In order to increase benefits and conveniences to foreign suppliers and others who intend to apply for qualification as well as to simplify their procedures, each ministry/agency and other entities concerned shall have, in principle, a single, unified qualification criteria/rating system for qualification of suppliers.

(2) Furthermore, the qualification procedures shall be made radically simple and efficient, so that once the qualification is provided, no further application will be required in other procurement entities within the same ministry/agency (introduction of universal qualification system).

#### 3. [number as received] Treatment of parent companies

The strong request has been made by foreign suppliers that capabilities and past records of the parent company of the applicant should be taken into consideration in qualification procedures. All parties concerned shall be thoroughly informed that such a consideration can be given to those applying companies whose legal relationship with their parent companies are clear.

### II. Increased procurement of foreign products

The Government of Japan shall positively explore the possibility of purchasing foreign products, to the fullest extent possible, and take the lead in the efforts for increased procurement of foreign products, so as to demonstrate its positiveness.

### III. Coverage of application

1. The action program outline concerning government procurement mainly covers procurement and organizations that fall within the scope and coverage of the GATT agreement on government procurement mentioned in paragraph (1) above is applicable to 45 organizations (30 government organizations, 15 government-related organizations), the Government of Japan, furthermore, shall take the lead in applying the relevant provisions of the agreement of 16 government-related organizations to which the GATT agreement does not normally apply and the relevant provisions of the action program shall also be applied to them.

## Chapter V. Financial and capital markets

The Japanese Government will proceed with the steady implementation of measures for liberalization and internationalization financial and capital market along the lines included in the report of the working group of the joint Japan-U.S. ad hoc group, etc.

### I. Outline of the action program

#### 1. Liberalization of interest rate ceilings on deposits

(1) Interest rate ceilings on large denomination deposits will be relaxed and removed by the spring of 1987. The following steps will be taken to implement liberalization without causing disruptions to the financial market.

(i) Removal of interest rate ceilings on large denomination time deposits.

Interest rate ceilings on large time deposits of one billion yen and over will be removed this fall. the interest rate ceilings will be further removed gradually on lower denomination of time deposits.

(ii) Relaxation of regulations of MMCs

The minimum denomination of MMCs will be lowered and MMC issue ceiling for each bank will be raised by the spring of 1987. We will begin to gradually raise each bank's MMC issue ceiling this fall. The maximum maturity of MMCs will be extended to two years by the spring of 1987. The way to set the interest rate ceiling of MMCs will be modified according to the maturity range and minimum denomination of MMCs, etc.

(iii) Further relaxation of restrictions on NCDs

The CD issue ceiling for each bank will be gradually raised beginning this fall. The CD maturity range will be modified; the maximum maturity will be extended to one year by the spring of 1987.

(2) Regarding liberalization of interest rate ceilings on small denomination deposits, we will study the possible problems accompanying and arising from it at early opportunity and we will promote it following liberalization of interest rate ceiling on large ones on the condition that the necessary circumstances are well established taking into account the protection of depositors, and the total balance between private bank deposits and postal savings, etc.

(3) We will proceed with liberalization of interest rate ceilings on inter-bank deposits as an aspect of the removal of interest rates on large denomination time deposits with due consideration to maintenance of effectiveness of monetary policies.

(4) We will take measures for further development of Japanese short-term money markets. In this regard, we are requesting that the Bank of Japan and other market participants review the practices in inter-bank markets. Efforts will also be made to develop the market in short-term government debt. Transactions without collateral are introduced to the call [as received] money markets this July as a review of the practices in inter-bank markets, taking account of market needs.

## 2. Establishment of the bond futures market

The amendment of the Securities and Exchange Law required to establish a bond future market was passed by the Diet on June 14, 1985. We will therefore make preparations for the establishment of the market, which will take place this October.

## 3. Improvement of interbal [as received] bond issue market

We will endeavor to relax the qualification standards for non-secured straight bond issues and to introduce the bullet repayment structure for 10 year- and 12 year bonds towards this fall. In addition, the maturity range of corporate bonds will be diversified and the primary markets for yen-denominated foreign bonds and foreign-currency-denominated foreign bonds will be improved.

## 4. Dealings in yen-denominated BAs by securities companies

The yen-denominated BA market was established this June. Banks, short-term credit dealers and bank related companies have been permitted to deal in the yen-denominated BA market. In order to strengthen the function of the yen-denominated BA markets through diversifying participating dealers, securities companies will be allowed to deal in the yen-denominated BA market from April 1986.

## 4. [number as received] Participation by foreign banks in trust banking

We intend to take the procedure for nine eligible foreign banks to participate in the trust banking activities as soon as possible after receiving applications.

## 6. Membership of the Tokyo Stock Exchange

At the request of the minister of finance, the Tokyo Stock Exchange set up the ad hoc committee on the membership. The committee has decided to increase the current seats of full members (83 companies). At present, the details of the increase, such as the required number of increasing seats and the necessary procedures for participation, are under examination. The committee is expected to reach a conclusion by this fall.

## 7. Liberalization of Euroyen bonds and others

The features of Euroyen bonds issued by Japanese residents will be diversified, and issue of floating rate notes will be liberalized as of the spring of 1986. In addition, the maximum maturity of Euroyen CDs will be extended to one year, in the light of the relaxation of restrictions on domestic CDs.

## 8. Creation of a suitable environment for further financial liberalization

Measures will be implemented to create a suitable environment for the further progress of financial liberalization, including enhancement of the deposit insurance system, along the lines of the reports of the committee on financial system research. For this purpose, we will submit legislative proposals to the Diet at the earliest opportunity after the next ordinary session.

## Chapter VI. Service and import promotion measures

### I. Services

#### 1. Contribution to a new round of multilateral trade negotiations.

The Government of Japan will make necessary preparations, in cooperation with other countries, toward relaxing and dismantling existing various restrictions for the purpose of making positive contributions in services area to formulate international framework on trade in services in the new round of multilateral trade negotiations.

## 2. Liberalization measures in various sectors

### (1) Foreign lawyers

Paying due regard to the autonomy of the Japan Federation of Bar Associations, solutions appropriate both domestically and internationally are aimed to be reached, with expectation of necessary amendment of the lawyers law in the next regular session of the Diet.

### (2) Transportation industry

Usage of small size aircraft shall be expanded for regular short range commuter services provided by unscheduled air transportation companies, and necessary measures shall be taken to promote the utilization of helicopters.

### (3) Insurance industry

(a) The policy of [as received] give national treatment to foreign insurance firms in their business activities in the Japanese market shall be firmly maintained.

(b) More flexible application for licencing of new insurance instruments and services shall be made, with a view to encouraging inventiveness of insurance companies.

### (4) Medical insurance

The national health insurance shall be made applicable to foreign residents in Japan.

### (5) Commercial practices

An ad hoc study committee shall be established to carry out and report a study to the government concerning the Japanese commercial practices which have been claimed as barriers to the distribution of imported goods. The study committee will make such necessary investigation as fact-finding, in consultation with knowledgeable people including those in Japanese and foreign business circles. The committee shall aim at presenting a report to the government within the current fiscal year.

## 3. Enhancement of complaint processing

The existing windows for handling the complaints concerning market-access issues, including import inspection procedures, shall be made available to the complaints [as received] on procedural and other matters in the services area. The O.T.O. (Office of Trade and Investment Ombudsman) shall process those complaints promptly and appropriately.

## II. Promotion of imports

### 1. Efforts to expand imports

In view of the recent trend of the Japanese balance of payments, the government will not only promote the following policies but also further strengthen and expand import promotion measures listed in attachment 1, so as to realize a quick and visible expansion of imports in combined efforts by public and private sectors.

**(1) Encouragement of import expansion by the private sector**

The government has already put forward its request to industries including 60 leading firms in the fields of exports and distribution, to cooperate to increase imports, and these firms have, in response to the request, undertaken their import expansion efforts. The government will take a follow up action so as to ensure continued efforts to increase imports by those firms.

**(2) Expansion of import credit on manufactured goods and government procurement**

In order to support and encourage private industries efforts to increase imports, the interest rate of the Export-Import Bank of Japan for import credit on manufactured goods shall be further lowered, and such new activities of the bank as foreign currency lending for manufactured imports will be introduced. The Government of Japan itself will endeavour to further procure foreign manufactured goods. Inward direct investment by foreign firms and direct investment abroad by Japanese firms will be further encouraged through such measures as mentioned below, so as to contribute to forming harmonious external economic relations and to revitalizing the world economy.

**(1) Expansion of Japan Development Bank loans for the promotion of foreign direct investment in Japan**

Assistance to foreign firms which have desire to make direct investment into Japan shall be strengthened by measures including lowering of interest rate of the Japan Development Bank loans for the promotion of foreign direct investment in Japan.

**(2) Utilization of overseas investment credit by the Export-Import Bank of Japan.**

The overseas investment credit provided by the Export-Import Bank of Japan will be further utilized to facilitate industrial cooperation and economic cooperation.

**Planned Tariff Adjustments**

OW300755 Tokyo KYODO in English 0724 GMT 30 Jul 85

["Planned Tariff Cuts or Eliminations in Action Program" -- KYODO headline]

[Text] Tokyo, July 30 KYODO -- Following are the tariff attachments to the summary of the action program.

**Attachment-1**

Tariff	Description	Present rate
Item No.		
Telecommunications and radio equipment, etc.		
70.18-2 ex etc.	optical fibre	3.6 etc.
85.15-3 ex	radar apparatus (for ships)	6
85.15-3 ex	radar apparatus (for aircraft)	6.5
85.15-3 ex	radar apparatus (other)	3.6
85.15-4 ex	radionavigational aid apparatus etc. (for aircraft)	4.0
88.02-4 ex	satellites such as communications satellites	6.5

## Computer-related and electrical parts, etc.

84.53-1	central processing units and peripheral units for electrical digital automatic data processing machines (including those with analogue elements), etc.	4.9, 6
84.53-2	other automatic data processing machines etc.	3.7-4.9
84.55 ex	parts of automatic data processing machines etc.	4.2, 4.9
85.15-4 ex etc.	television cameras, VTR combined with camera, magnetic camera	5.1 etc.
85.18 ex	electrical capacitors (other than electric power condensers)	4.2
85.19-2 ex	micro-switches, printed circuits, resistors and parts thereof	3.6
85.21-1 ex	thermionic tubes	4.2
85.21-2 ex	light emitting diodes (cased)	6.5
85.21-2 ex	ditto (other)	4.2
92.12-3-(2) ex etc.	floppy disc, video disc, IC card	3.6 etc.
97.04-3 ex	TV game for home use	3.6
Apparatus for medical use and based on the use of radiations from radio-active substances		
90.17 ex	medical instruments (NMRCCT)	5.8
90.17 ex	surgical instruments (laser scalpel)	4.9
90.19 ex	artificial parts of the body	4
90.20-1	apparatus based on the use of radiations from radio-active substances	5.8
90.20-2 ex	apparatus based on the use of X-rays for medical use	5.8
90.20-2 ex	other apparatus based on the use of X-rays	4.2
90.28-2 ex	electronic instruments and apparatus (electronic clinical thermometer)	4.9
90.28-3 ex	measuring apparatus for radiations	5.1

**Measuring apparatus, etc.**

85.22 ex	signal generators	4.2
90.26 ex	electricity supply or production meters	4.2
90.28-1	electrical measuring or checking instruments and apparatus for electricity, such as i.c. testers	4.9
90.28-2 ex	electrical measuring and checking instruments and apparatus	4.9
90.28-4 ex	other automatic regulators (excluding automatic voltage regulators)	4.9

**Nuclear-related equipment**

84.18-1 ex	centrifuges	4.2
84.59-6 ex	fuel elements of nuclear reactors and assemblies thereof	7.2
84.59-6 ex	nuclear reactors and parts thereof (other than the above)	6.5

**Robot**

85.11-2 ex etc.	welding robots, painting robots and assembling robots, etc.	5.7 etc.
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**New materials**

39.01-2-(4) ex	engineering plastics (of polyacetals resin, polycarbonate resin, etc.)	5.1
69.14 ex	articles of ceramics (scissors, knives, etc.)	4.2
68.16 ex	carbon fibers	6
74.03-2-(3)b ex etc.	shape memory alloy (copper alloy, nickel-titanium alloy, etc.)	5.8, 7.2 etc.
81.01-3 ex	bolon fibers (bolon evaporated tungsten filament)	5.8
81.04-2-(3) ex etc.	hydrogen storage alloy (of titanium alloy, etc.)	5.8 etc.
90.19 ex	artificial teeth of ceramics, etc.	4
97.06-3 ex	appliances, apparatus, accessories and requisites of carbon fibers for sports (golf club, etc.)	4.8, 3.6

## Attachment-2

Tariff	Description	Present rate	New rate
Item no.			
02.02ex	fowls without bones	18	14
02.02ex	ducks	12.8	10
02.02ex	poultry other than fowls, turkeys and ducks	16	12.5
03.03-2(1)ex	blood ark shell	10	8(g)
04.07-1ex	jellyfish	10	8(g)
07.01ex	matsutake	5	0(g)
08.01-1(1)	bananas (fresh)		
	from Apr. by Sept.	17.5(g)	12.5(g)
	from Oct. by Mar.	35 (g)	25 (g)
08.05-1	chestnuts	20	16
08.05-2	walnuts	20	16
08.05-4ex	macadamia nut, pistachios and pecan	12	9
08.05-4ex	macadamia nut	10(g)	6(g)
08.09ex	papaya	4	3(g)
08.10ex	pineapples preserved by freezing, not containing added sugar	35	28
08.11-3ex	chestnuts peeled, provisionally preserved	20	16
12.08-3(3)ex	hijiki	10(g)	8(g)
13.03-6	pyrethrum extract	20	10
14.05-5ex	leaves of oak	10	0(g)
14.05-5ex	sphagnum	10	5
15.07-8ex	palm oil	3(g)	0(g)
15.07-10	castor oil	9	7.2
19.08-1ex	bakers wares other than arare, senbei and similar rice products, biscuit, cookies and crackers (containing added sugar)	20(g)	15(g)

19.08-2ex	-- ditto -- (not containing added sugar)	35 17.5(g)	25 12.5(g)
20.01-lex	tropical fruit prepared or preserved by vinegar or acetic acid (containing added sugar)	15	10
20.01-lex	-- ditto -- (other than mangoes and mangosteens)	12.5(g)	6(g)
20.01-lex	mangoes and mangosteens preserved by vinegar or acetic acid (containing added sugar)	10(g)	6(g)
20.01-lex	vegetables and fruits (other than tropical fruit) prepared or preserved by vinegar or acetic acid (containing added sugar)	20 16(g)	15 12(g)
20.01-2ex	tropical fruit prepared or preserved by vinegar or acetic acid (other than mangoes or mangosteens) (not containing added sugar)	12.5 10(g)	10 6(g)
20.01-2ex	mangoes and mangosteens prepared or preserved by vinegar or acetic acid (not containing added sugar)	12 7.5(g)	9 5.6(g)
20.01-2ex	vegetables and fruit (other than tropical fruit) (not containing added sugar)	16 12(g)	12 9(g)
20.03ex	fruit preserved by freezing, containing added sugar (other than pineapple, sour cherries and berry)	28	20
20.03ex	tropical fruit preserved by freezing (other than pineapple) (containing added sugar)	17.5(g)	12(g)
20.03ex	pineapple preserved by freezing (containing added sugar)	35	28
1.02-1(2)aex	instant coffee (not containing added sugar)	17.5	14
21.07-2(2)b(a)ex	food preparations of jellyfish	10(g)	8(g)
21.07-2(2)b(b)ex	food preparations of young corncobs	10(g)	9(g)

22.05-1	champagne and other sparkling wine	MFN 360 yen/l GSP 260 yen/l	MFN 288 yen/l GSP 208 yen/l
22.05-2ex	sherry, port and other fortified grape wine	220 yen/l	176 yen/l
22.05-2ex	bottled wine (in containers of a capacity less than 150)	38 pct or 280 yen/l whichever is the less, subject to a minimum customs duty of 166 yen/l	30.4 pct or 224 yen/l whichever is the less, subject to a minimum customs duty of 132.80 yen/l
22.09-1(1)bex	other whisky (those of an alcoholic strength of 50 or less and in containers of a capacity less than 2 l) [as received]	36 pct or 332 yen/l whichever is the less, subject to minimum customs duty of 299 yen/l	246.40 yen/l
22.09-1(2)b	brandy (those of an alcoholic strength of 50 or less and in containers of a capacity less than 2)	407 yen/l	325.60 yen/l
29.05-2(1)ex	menthol	28 pct or 900 yen/kg, whichever is the greater	22.4 pct or 720 yen/kg, whichever is the greater
33.01	ho oil [as received]	1.85(g)	0(g)
38.19-5(3)ex	catalysts (for motor vehicles, excluding iron catalysts etc.)	1.2	free
40.10ex	v belts and its belting	4.9	free
40.11-lex	pneumatic tyres and tyre cases (new)	4	free
68.14ex	friction material of a kind suitable for brakes, for clutches or the like (parts of motor vehicles)	5.7	free
70.08ex	safety glass (laminated glass for motor vehicles)	5.5	free
71.02-2(2)ex	precious and semiprecious stones (other than those not polished, perforated nor similarly worked and formed to be used for mechanical or industrial purposes)	3.2	free
76.03ex	wrought plates and sheets of aluminum for aircraft (aluminum polished skin sheet)	11.5	free

82.02-2	blades for machine saws, other than hacksaw blades	3.6	free
82.05-1	drills, bits, reamers and screw taps	4.8	free
82.05-2ex	milling cutters	5.5	free
82.05-2ex	gear cutters	4.9	free
82.05-3(1)ex	diamond tools	5.8	free
82.05-3(1)ex	cutting tools, used in or with machines (hard metal tools)	4.2	free
82.05-3(1)ex	hard metal tools (other)	4.8	free
82.05-3(2)	interchangeable tools for hand tools, for machine tools or for power-operated hand tools (others excluding hard metal tools and diamond tools)	4.2	free
82.06	knives and cutting blades, for machines or mechanical appliances	4.2	free
84.10-1(3)	parts of pumps for liquids	3.6	free
84.31-2ex	parts of machinery for making or finishing cellulosic pulp, paper or paperboard	4.2	free
84.48	accessories and parts of machine-tools for working metal or metal carbides	4.2	free
85.04ex	lead-acid batteries (only those with 6v and 12v)	5.8	free
85.09-2	electrical lighting and signalling equipment, etc. (other than those for motor vehicles (excluding vehicles of heading No (87.09 or 87.11))	4.2	free
85.13ex	electronic telephonic and telegraphic switch boards and exchangers	5.7	free
85.13ex	telephonic switch boards and exchangers (other than those of electronic types) electrical line telephonic apparatus, N.E.S.	4.2	free
85.13ex	apparatus for carrier current line systems electrical line telegraphic apparatus, N.E.S.	3.6	free

85.15-4ex	radiotelegraphic and radiotelephonic apparatus (for aircraft; excluding radio navigational aid apparatus and radio remote control apparatus)	4	free
85.15-4ex	radiotelegraphic and radiotelephonic apparatus (excluding apparatus for aircraft, television cameras, radio navigational aid apparatus and radio remote control apparatus)	5.1	free
85.15-5ex	parts of radiotelegraphic and radio-telephonic transmission and reception apparatus, or of radio broadcasting and television transmission and reception apparatus (excluding parts of radio navigation aid apparatus, radar apparatus or of radio remote control apparatus)	4.2	free
85.21-1ex	cathode-ray tubes for television receivers	4.2	free
85.24ex	carbon electro-thermal resistor	4.9	free
87.12-2ex	parts and accessories of motor-cycle, auto-cycle, etc.	4.8	free
90.07-1(3)ex	cameras other than for microscope, aircraft, photo-engraving, x rays, copying documents or for medical, dental or surgical purposes (excluding for film of a width 35 mm)	5.7	free
90.07-2	parts and accessories of cameras	5.7	free
90.24ex	pressure gauges	4.9	free
90.29	parts or accessories suitable for use solely or principally with one or more of the articles falling within heading No 90.23, 90.24, 90.26, 90.27 or 90.28	4.2	free

(n.b.) tariff reduction on the following items is to be implemented on April 1, 1987:

- (i) champagne and other sparkling wine (22.05-1)
- (ii) sherry, port and other fortified grape wine (22.05-2ex)
- (iii) bottled wine (22.05-2ex)

#### Planned Standards Adjustments

OW301051 Tokyo KYODO in English 0603 GMT 30 Jul 85

[Text] Tokyo, July 30 KYODO -- The following is supplementary information on measures to improve standards and certification systems, specifically referring to the Japan-U.S.

consultations on four key sectors. Dates in the parentheses indicate the time when or the time-frame in which the measures have been or shall be taken.

#### 1. Telecommunications

##### (1) Change from government certification to self-certification

With respect to telecommunications terminal equipments, compliance with technical standards shall be checked by the manufacturer at his own responsibility. Manufacturer-generated test data shall be accepted, and the manufacturer may affix seals of compliance approval. (April 1)

##### (2) Reduction of the number of standards

With respect to technical standards for telecommunications terminal equipments, the number of standards shall be reduced from the initial 53 to 21 in line with "freedom IC principle, restriction as exceptions." (July 20)

##### (3) Ensurance of transparency

Members of foreign-affiliated companies in Japan will be appointed to participate in the telecommunications advisory council and the telecommunications technical advisory council, bodies to deliberate upon important matters related to telecommunications, as members etc. (May 6)

In order to secure fair competition, the designated approval agency shall be the only body to approve technical standard compliance of telecommunications terminal equipments, including those provided by type I telecommunications businesses on rental bases. (April 5)

Impartiality and neutrality of the designated approval agency for telecommunications terminal equipments technical standards compliance shall be secured by excluding interested parties from the membership. (April 5)

With respect to technical standards no longer subject to government regulations, private sector standard formulating body like the T1 Committee in the US shall be set up in order to formulate impartial, autonomous, non-government standards through a transparent process. (within FY 1985)

##### (4) Simplification and promptness in certification procedures

With respect to telecommunications terminal equipments, technical standards compliance approvals, document inspection shall be the principle. In addition, there shall be simplification of application documents (reduction of necessary copies and necessary material items) and specification of inspection time (less than 2 months in principle). (April 1)

With respect to telecommunications terminal equipments technical standards compliance approvals, equipments subject to such approvals shall not be limited to terminal equipments connected to the analog telephone network but shall be expanded to include terminal equipments connected to digital and other networks, so that all terminal equipments connecting procedures shall be simplified. (April 1)

##### (5) Others

There shall be established the "ad hoc committee for settlement of complaints" composed of the US Embassy in Tokyo, the Ministry of Foreign Affairs and the Ministry of Posts and Telecommunications. (May 29)

## 2. Electronics

### (1) Acceptance of foreign test data and active use of foreign testing organizations.

Foreign test data are already accepted under the electrical appliance and material control law, and another U.S. testing organization (ETL) shall be designated this time. (May 1)

### (2) Ensurance of transparency

JIS drafting committee already admits foreign participants, and active participation shall be encouraged further. (July 1)

## 3. Pharmaceuticals and medical equipment

### (1) Acceptance of foreign test data and active use of foreign testing organizations

With regard to pharmaceuticals, foreign clinical test data shall be accepted for all examination/testing items except for the following three items not immune to differences between Japanese and foreigners: comparative clinical trials; dose finding test; absorption, distribution, metabolism and excretion test. (July 31)

Foreign clinical test data shall be accepted for in-vitro diagnostic reagents except those of new parameter and those with immunological reaction problem with the material to be detected. (July 31)

Foreign clinical test data shall be accepted for medical devices except those implanted in human body and affect organic adaptability. (July 31)

### (2) Ensurance of transparency

At the Central Pharmaceutical Affairs Council, the applicant will be given opportunities to hear contents of instructions directly and to ask and state his or her opinion in order to clarify them. (July 1)

### (3) Simplification and promptness in certification procedures

The examination of approval of in-vitro diagnostic reagents shall be made expeditious by examining those reagents separately from other pharmaceuticals as well as simplifying application documents. (July 31)

With respect to the change of a manufacturer of pharmaceuticals, medical devices and others, a successor need not seek the approval anew if an agreement is made between the successor and the predecessor. (July 31)

In case of a change of manufacturing country after receiving the import approval for pharmaceuticals, medical devices and others, notification will suffice and approval is not required anew. (July 31)

With respect to transfer of manufacturing facility or place of business, advance application for approval shall be made possible in order to prevent suspension of manufacturing or business, and attached documents shall be simplified. (July 31)

With respect to the modification of medical devices, the scope of minor modification which do not require approval anew shall be clarified. (July 31)

(4) Measures for simplification and promptness of procedures on import process

With regard to pharmaceuticals and other items which have obtained approval and license under the pharmaceutical affairs law, the products may be cleared by the customs procedures alone. (August 1)

4. Forest products

(1) Acceptance of foreign test data and active use of foreign testing organizations

A system shall be introduced in which the ministers shall designate in advance foreign testing organizations in order to smoothly implement the grading and other functions for the items covered by the JAS. (within FY 1985)

(2) Ensurance of transparency

Representatives of foreign interests well versed in standard, qualities etc. of foreign products shall be appointed, as necessary, expert member of the research committee for agricultural standards, which is responsible for establishing JAS. In addition, representatives of foreign interests shall be admitted to participate, as necessary, in the drafting stage of standards. (as necessary, on an item-by-item basis) Studies shall be conducted on the standards for wood products under the building standards act. (under consideration)

(3) Adjustment to international standards

In order to adopt US softwoods (lodgepole pine and ponderosa pine) as trees to be used for materials of structural laminated lumber under the JAS standard, necessary test on strength and others will be conducted promptly. (as early as possible)

In order to establish product standards for newly developed structural panel (oriented strand board, wafer board etc.), study will be initiated promptly. (August)

Further on Standards

OW300915 Tokyo KYODO in English 0834 GMT 30 Jul 85

[Text] Tokyo, July 30 KYODO — The following is general supplementary information on measures to improve standards and certification systems, disclosed by the government Tuesday in announcing a market-opening action program. Dates in the parentheses indicate the timeframe in which the measures shall be taken.

I. Measure to improve standards and certifications system

a. Reduction of government intervention

1. Reduction of items covered by the standards and certification system

(Ministry of Health and Welfare)

With regard to 33 out of 103 categories of medical equipments such as medical centrifugal subside and medical constant temperature instrument, approval shall be made unnecessary within 3 years. In addition to the above, with the expansion of coverage of items, of which approval is not required, by newly establishing JIS standards (Japanese Industrial Standards), the annual number of approval shall be reduced by a quarter within three years.

(Ministry of Agriculture, Forestry and Fisheries)

In light of simplified and fair transactions, those items covered by JAS (structural standards) shall be reviewed with an aim of reducing their numbers. (within FY1986) From a list of testing items concerning druekpued (1) [as received] certain diagnostic reagents shall be excluded, and (2) study will be made with a view to excluding antibiotic feed additives. (1) within FY1985. (2) within FY1986)

(Ministry of International Trade and Industry)

In light of simplified and fair transactions, the existing product coverage of JIS marking system shall be reviewed with an aim of reducing their numbers roughly by 10 percent. (within three years; to be initiated from August 1985) A system shall be created to publish as usable substance newly manufactured or imported chemical substances whose safety has been already verified in foreign countries after re-confirmation of safety by Japanese authorities. (within three years)

2. Transition from government-certification to self-certification

(Ministry of Health and Welfare)

With regard to medical equipments, 36 JIS standards shall be newly established within three years, thereby making approval unnecessary for those medical equipments which comply with these JIS standards. Establishment of relevant JIS standards shall be continued thereafter)

With regard to the pharmaceuticals subject to government testing, aqueous infusions and certain blood preparations shall be exempted from testing in view of the progress in manufacturing and quality control techniques, so that the coverage of products for which manufacturers check compliance with the standards on their own responsibilities shall be expanded. (within three years) Certain fertilizers, now subject to registration, shall be made subject to notification (as designated mixed fertilizers). (within FY1985)

(Ministry of International Trade and Industry)

With regard to electrical appliances, a review shall be made on category A items for which the government checks compliance with safety standards, so that these items will be transferred into category B for which manufacturers check compliance with standards on their own responsibilities. As a result, the present number of items in category B (72) shall be roughly doubled for the moment. Study shall be further made with an aim of tripling the present category B number in three years. (within three years)

(Electrical appliance and material control law)

(Ministry of Posts and Telecommunications)

With regard to a microwave cooking range, one of the industrial products emitting radio waves, whose manufacturing and quality control techniques are well established, self-certification of compliance with technical standards shall be introduced. (by the end of 1985)

3. Reduction of numbers or relaxation of contents of individual standards.

(Ministry of Agriculture, Forestry and Fisheries)

With regard to the technical standards of official standards for fertilizers, restrictions on raw materials, such as granulation accelerator, shall be relaxed. (within FY1985)

4. Others

(Ministry of Posts and Telecommunications)

Technical standards for (1) cellular phones, (2) pagers and (3) cordless phones shall be relaxed. Study shall also be made on measures necessary for the introduction of portable data terminal. (reports are expected to be issued by radio technology council by April, 1986 (1), and by March, 1986 (2) and (3).

b. Thorough application of basic principles referred to the decision by Liaison and Coordination Headquarters on standards and certification systems, etc. ("Gotoda Committee") on March 26, 1983.

1. Acceptance of foreign test data and positive use of foreign testing organization

(Ministry of Health and Welfare)

With regard to pharmaceuticals, foreign clinical test data shall be accepted for all examination testing items except for the following three items not immune to differences between Japanese and foreigners: comparative clinical trials; dose finding tests; absorption, distribution, metabolism and excretion tests. (July 31, 1985)

In order to smoothly implement the acceptance of the pre-clinical test data with respect to pharmaceuticals, negotiations, for bilateral arrangements on the mutual certification of the GLP (standards for safety tests) shall be encouraged (arrangements with USA, Switzerland and UK are already concluded), thereby leaving to the arrangement partner the judgement whether testing facilities are in conformity with the GLP and facilitating the early acceptance of foreign test data. (consultations underway with the Federal Republic of Germany and France)

(Ministry of Agriculture, Forestry and Fisheries)

A system shall be introduced in which the minister shall designate in advance foreign testing organizations in order to smoothly implement the grading of items covered by the JAS through the use of data generated by foreign testing organizations. (within FY 1985)

Positive public relations activities overseas shall be carried out with regard to the present system by which manufacturers themselves can conduct sampling for the grading and attach beforehand the JAS mark on the items covered by the JAS (i.e. "approved and permitted plant system"), thereby promoting the utilization of the system by foreign manufacturers. (now underway)

With regard to toxicity tests data on agrichemicals, negotiations for bilateral arrangements on the mutual certification of GLP (good laboratory practice standards for toxicity tests) shall be encouraged, thereby accepting data generated by foreign enterprises whose conformity with GLP is approved by the arrangement partner. (negotiations underway with USA, UK, and the Federal Republic of Germany)

A system shall be introduced in which the minister shall designate in advance foreign testing organizations in order to smoothly implement the examination of feed through the use of test data of foreign testing organizations. (within FY1985)

In order to promote the acceptance of test data provided by foreign enterprises and others on feed additives, the introduction of GLP (good laboratory practice standards for toxicity test) shall be examined. (within FY1988)

With regard to in vitro diagnostic reagents and medical devices for animals, clinical test data provided by foreign enterprises and others shall be in principle accepted. (within FY1985)

In order to promote the acceptance of test data provided by foreign enterprises and others on drugs for animals, the introduction of GLP (good laboratory practice standards for toxicity test) shall be examined. (within FY1987)

(Ministry of International Trade and Industry)

With respect to test data necessary for factory approval, foreign testing organizations shall be utilized so that foreign enterprises can easily obtain approval for JIS marking. (within FY1986)

With regard to type approval for electrical appliances, necessary measures shall be taken so that the minister can designate foreign testing organizations whose test data shall be accepted. (within FY1985)

(Electrical appliance and material control law)

(Ministry of Transport)

The number of foreign testing organizations whose test data shall be accepted and the number of test items for such acceptance shall be increased (promptly after applications are made)

(Ministry of Posts and Telecommunications)

With respect to radio equipment, the exemption from the compulsory type approval shall be expanded to all kinds (six) of equipments to be covered by the system which presently gives exemption to two kinds through the acceptance of type approval data provided by foreign governments. (within FY1985)

With regard to the certification of conformity with technical standards for radio equipment, foreign test data meeting certain conditions and authorized by foreign governments shall be accepted as data for examination. (within FY1985)

## 2. Ensuring of transparency

(All ministries and agencies)

In order to ensure transparency in the process of setting standards, opportunities shall be provided to hear the opinions of interested parties including foreigners, while the draft standards being presented. [as received] Representatives of foreign interests shall be always allowed to join or participate in any councils, their technical sub-committees and other fora to state their opinions in the process of drafting or revising standards.

The standards on forestry products shall be reviewed through the Japan-U.S. four-sector consultations on forestry products. (underway)

### 3. Adjustment to international standards

(Ministry of Agriculture, Forestry and Fisheries)

With regard to the establishment and revision of JAS on the following products requested in the Japan-U.S. four sector consultations on forestry products, positive actions shall be taken in the future consultations based on the results of the strength tests and other factors. (under way)

- (1) Structural laminated lumber of U.S.-produced lodgepole pine and ponderosa pine
- (2) Oriented strand board
- (3) Wafer board

Foreign official standards for fertilizers shall be incorporated into Japan's official standards when they meet Japan's natural conditions. (within FY1985)

(Ministry of International Trade and Industry)

The adjustment of Japan's safety standards for electrical appliances shall be completed to become consistent with the IEC (International Electro-Technical Commission) standards. (within three years)

### 4. Simplification and promptness in certification procedures

(All ministries and agencies)

With regard to all standards and certification systems, standard processing period shall be set for each procedure. If the application cannot be dealt with within this period, the applicants shall be informed of the situation with its reason. (November 1, 1985)

### Nakasone Press Conference

OW300903 Tokyo KYODO in English 0754 GMT 30 Jul 85

[Text] Tokyo, July 30 KYODO -- Prime Minister Yasuhiro Nakasone compared the market-opening action program announced Tuesday to the reforms made by the cabinet of Prime Minister Shigeru Yoshida which put Japan's administrative structure in order immediately following World War II.

He said, "The action program will provide a great opportunity to implement administrative reforms. The basis for opening the Japanese market has been established, and I now intend to do my best to carry out the program." But he suggested the action program alone would not be enough to open the Japanese market. He said, "It is difficult to solve the problem 100 percent all at once, so it is important to show our sincerity and make steady efforts."

Commenting on overseas criticism of Japan's economic policies, he pointed out the importance of publicizing the action program so that foreign countries would appreciate the efforts Japan is making. He said, "There are many emotional components in foreign opinions, therefore it is necessary for us to try to have them understand Japan's efforts calmly."

He said he also hopes to see other countries making efforts to solve trade problems, such as the lowering of the high foreign exchange value of the U.S. dollar and high U.S. interest rates, as well as more active efforts by U.S. businesses to export to Japan. He said, "I ask foreign countries to do what they should do. Japan should not shoulder the entire blame for the world's trade problems."

#### Further on Press Conference

OW300959 Tokyo KYODO in English 1049 GMT 30 Jul 85

[Text] Tokyo, July 30 KYODO -- Prime Minister Yasuhiro Nakasone warning that rising protectionism has brought about a critical situation, said Tuesday he will desperately try to defend the free trade system. He said, his determination to increase imports was demonstrated by the market-opening announced earlier in the day. The three-year action program "is aimed at defending the free trade system as well as destroying the world sentiment that Japan is behaving unfairly in trade," Nakasone said in a nationally-televised press conference.

He also said he is confident that the program of trade measures, the seventh to be announced by the Japanese Government in less than four years, will be sufficient to east mounting protectionism in the U.S. Congress, which is to consider legislation that would impose import surcharges on Japanese products. Nakasone called the situation "critical" and said Japan's trade is now in a "state of emergency."

In June, the government announced a package of tariff cuts of 20 percent or more on 1,853 imported products. Nakasone took the initiative in working out the latest action program, which features the removal or easing of import restrictions and standards and certification systems. The action program is a declaration of the opening of Japan's domestic market, Nakasone said. But when asked by how much the program will help Japan reduce its huge trade surplus, Nakasone said: "I can't say in terms of (dollars)." Japan's trade surplus registered a record 45.6 billion dollars during fiscal 1984 which ended in March.

While pledging to make every possible effort to open the Japanese market wider, Nakasone also urged Japan's trade partners to work harder to expand their exports. He specifically referred to the high value of the U.S. dollar and said this has been negatively affecting American exports. Nakasone ruled out the possibility that his government may impose export surcharges on Japanese products, saying he prefers "orderly marketing." Japanese products should not be exported "like a flood caused by torrential rain," Nakasone added. He said the Japanese Government will closely watch how the program is put into action by assigning newly appointed inspectors, one for each of its ministries and other departments.

Nakasone ended the 40-minute press conference by declaring: "I will assume full responsibility for the implementation of the action program."

#### ABE, PRC'S GU MU OPEN MINISTERIAL TALKS

OW301125 Tokyo KYODO in English 1116 GMT 30 Jul 85

[Text] Tokyo, July 30 KYODO -- The leader of a Chinese minister delegation Tuesday called for an expansion of Japan's oil and coal imports and promotion of joint ventures to rectify the trade imbalance between the two countries.

In a keynote speech on the opening day of a two-day Japan-China ministerial meeting here, Gu Mu, a state councillor, also requested Japan's assistance in China's export drive for industrial products. Gu also said China is set to become a modern state comparable to the standards of advanced industrial countries by 2049, the centennial of the Peoples Republic. Conference sources said the chief Chinese delegate emphasized China's plans to achieve a Gross National Product (GNP) of one trillion dollars by the year 2000.

For his part, Zheng Tuobin, minister of China's Foreign Economic Relations and Trade, complained of the skyrocketing trade imbalance, which reached 2.8 billion dollars in the first half of this year, compared to 1.3 billion dollars for the whole of 1984.

Foreign Minister Shintaro Abe, head of the Japanese delegation, emphasized that Japan is addressing the trade problems and is prepared to solve them one by one.

Gu was similarly optimistic about the trade issues with Japan when he told Prime Minister Yasuhiro Nakasone earlier in the day, "The (pending) problems between our two countries are only minor issues that crop up in the process of development of Chinese-Japanese ties." "They will all be resolved," he added.

To reduce the trade deficit with Japan, the state councillor said in the Tuesday afternoon plenary session, Beijing plans to improve the quality of goods and facilitate the production of new items, improve transportation capabilities and come up with products that suit the tastes of Japanese consumers.

The fourth Japan-China ministerial meeting opened shortly after Japan announced an "action program" of market-opening measures, which was prompted by Japan's mushrooming trade surpluses with the United States, the European Community and other trading partners.

Gu proposed promotion of joint ventures as a step to broaden Sino-Japanese economic relations which have dramatically strengthened since the two countries established diplomatic ties in 1972. He complained that Japan-China joint ventures account for only 5.7 percent of all of China's joint ventures with other countries while two-way trade between the two countries represents one-fourth of China's total foreign trade. Joint ventures between Japan and China totaled 62 at the end of March, including 52 within China, according to Japanese statistics.

State Councillor Gu argued that the Chinese Government intends to improve the climate for foreign investment in China and urged Japan to conclude an investment protection pact, a Japanese Foreign Ministry official said. The official said that ways to solve the trade talks Wednesday between Abe and Gu and between International Trade and Industry Minister Keiji Murata and Zheng. Trade, investment and technology transfers are likely to continue to dominate the second day plenary session, as they did Tuesday's session, Japanese officials added.

The Chinese group also had a breakfast meeting with Japanese business leaders Tuesday, in which Gu urged increased imports from China. Gu told the Japanese business leaders that China was not seeking an exact balance in annual trade figures but was worried about the growing trade gap. During the breakfast meeting, Yoshihiro Inayama, chairman of the Federation of Economic Organizations (Keidanren), Japan's most influential business group, told Gu that Japan was unable to import more from China because of a "stagnant Japanese economy." The Japanese businessmen told the Chinese Japan has been looking for other areas of imports from China apart from oil and coal, but has had difficulty in finding items suitable for the Japanese market.

CHONG CHUN-KI CALLS FOR N-S COHOSTING OF OLYMPICS

SK300837 Pyongyang KCNA in English 0820 GMT 30 Jul 85

[Text] Pyongyang July 30 (KCNA) -- Chong Chun-ki, vice-premier of the Administration Council of the Democratic People's Republic of Korea, in a press statement issued today expressed a view that it will be good for North and South to co-host the 24th Olympic Games and to name it "Korea Olympiad" or "Pyongyang-Seoul, Korea, Olympiad", hold half of the games in Pyongyang and the other half in Seoul and participate in Olympiad as a single team of the North and the South of Korea. The statement reads in full:

Now the Olympic Movement is facing a grave crisis due to the designation of Seoul as the venue of the 24th Olympiad. This is connected with the schemes of the forces to use the sacred Olympic Movement for their foul political purpose.

To begin with, the basic idea of Olympiad has been to promote friendship and unity among the world sportsmen and contribute to the cause of world peace through sound sports activities. Accordingly, the Olympic Games must not be used for any political purpose.

The Olympic Charter provides that all sportsmen should be let to participate equally in the games without discrimination. In view of this, the decision to hold the Olympic Games in the South of our divided country is grossly against the basic idea and principle of the Olympiad.

As for Seoul of South Korea, it is a place unfit from every point of view for the Olympic Games with the noble idea of peace, harmony, friendship and cooperation.

It is because, first of all, South Korea has been occupied by the foreign forces. As a result, the North and South of Korea are in sharp confrontation and the situation on the Korean peninsula has been aggravated more than in any other region of the world and the danger of war always prevails there. South Korea is also a graveyard of human rights where the people's democratic freedom and right to existence are trampled underfoot. Worse still, the socialist countries and many non-aligned and Third World countries have never recognized South Korea as an independent state and have no relations with it.

South Korea is very unstable politically. The anti-"government" struggle of students and people is continuing every day and many patriotic students and democratic figures are suppressed. "Presidential elections" will be held in the spring of 1988, the very year of the 24th Olympic Games. The "presidential elections" in South Korea have been accompanied by big incidents and suppressive dins.

It is clear that sports delegates from all countries and nations of the world cannot gather in peace at such a place for the Olympic Games to promote friendship, cooperation and peace.

Why was Seoul of South Korea designated for the 24th Olympic Games though it is unqualified to be the venue of the Olympic Games? It is chosen by coercion of the splittists who do not want peace in Korea and her peaceful reunification in pursuance of their sinister political purpose.

They attempt through the Olympic Games to usher into Seoul sports organizations of the socialist countries and non-aligned and Third World countries which do not recognize the South Korean "regime" and paint South Korea as an "independent state" to improve its position.

They also scheme to create an atmosphere to justify the military occupation of South Korea by foreign forces and freeze the division of our country and our nation.

If the Olympiad is held in one part of divided Korea, it will further encourage the splittist moves to keep Korea divided and create "two Koreas", throw a wet blanket over the Korean people's struggle for great national unity, further aggravate the confrontation and antagonism between the North and the South and heighten the tensions on the Korean peninsula. It is also against the idea of the Olympic Movement for promoting world peace and friendship and cooperation among peoples and it will cause divisions of the Olympic Movement peninsula. It is also against the idea of the Olympic Movement for promoting world peace and friendship and cooperation among peoples and it will cause division of the Olympic Movement itself.

For this reason, from the moment when Seoul was on the topic of discussion for the venue of the 24th Olympiad many countries of the world strongly opposed it. Socialist countries and many non-aligned and Third World countries strongly opposed the hosting of the Olympic Games in Seoul and voices were raised in Western countries including Italy and France demanding that the venue of the Olympic Games be shifted from Seoul to other place for the future destiny of the Olympic Movement.

A Swedish paper in a commentary said if the Olympiad is held in Seoul, it will be the third Olympiad affected by a massive boycott. An opinion poll organ of the United States recently said the possibility of "Seoul Olympiad" is vague because the political situation in South Korea is expected to be further unstable in 1988. If the "Seoul Olympiad" is forced to be held in disregard of such world public opinion, the socialist countries and many non-aligned and Third World countries will have no alternative but to neglect the Olympiad.

Anyone who values the Olympic Movement and is interested even a little in its development should not be indifferent to such developments. An overwhelming majority of the world peaceloving people and sportsmen want the noble idea of the Olympic Movement to be defended and hope the movement will hold its Games in conformity with its purpose.

After pondering over these matters, we came to have a view that it will be good for North and South to co-host the 24th Olympic Games. We think it proper to name the 24th Olympiad "Korea Olympiad" or "Pyongyang-Seoul, Korea, Olympiad", hold half of the games in Pyongyang and the other half in Seoul and participate in Olympiad as a single team of the North and the South of Korea.

Recently, Comrade Fidel Castro, president of the Council of the State of Cuba, rejected Seoul hosting Olympiad and proposed to let North and South co-host the 24th Olympiad. He declared that he would consider the dispatch of the Cuban team to the Olympiad in case the games are held only in Seoul, one part of divided Korea. Earlier, the foreign minister of Italy proposed the co-hosting of the Olympiad.

We think these proposals are most realistic and reasonable ones which can save the Olympic Movement from the crisis by successfully holding 24th Olympiad.

If our proposal for co-hosting is realized, all the countries including those who have opposed Seoul and planned boycott will participate in the 24th Olympiad and the Olympic Movement will be saved from the crisis. This will also contribute to the prevention of Korea's permanent division and the acceleration of her peaceful reunification. The realization of the co-hosting will greatly help to remove the misunderstanding and mistrust between North and South and exert favorable influence upon the dialogues now being held in various fields.

I think no one will have any ground to oppose the proposal for the co-hosting by the North and the South, if he truly values the Olympic Movement and wants friendship and peace among nations and Korea's reunification. The present situation has put the Olympic Movement at the crossroads of division and ruin. If the Olympic Movement is to be saved from the crisis, it is necessary to squarely see the present difficult situation, think over and find the way of fair solution.

I hope all the governments, men of public and sports circles in the world and figures of international organizations concerned with the Olympic Movement who love justice and peace and want sound development of the Olympic Movement to direct deep attention to our fair proposal and extend unstinted support and cooperation.

#### COMPARISON OF REPORTS ON 429TH MAC MEETING

Pyongyang Domestic Service in Korean at 1100 GMT on 29 July carries a later report on the 429th MAC meeting held on 29 July. This report has been compared with the report broadcast by Pyongyang Domestic Service in Korean at 0205 GMT on 29 July published in the 29 July Asia & Pacific DAILY REPORT pages D1-D3, revealing the following variations: The later report is identical through page D 3, paragraph four, last line...a more serious atmosphere. Thereafter, the later report reads:

The senior member of the U.S. side said that he would study our proposal. Saying that he has paid attention to the U.S. side's remarks that it would study our proposal, our side's senior member described our proposal as a fair and rational one, reflecting the interests of both sides and equally considering the duty that both sides should assume, and as a practical one that will resolve the imminent problem looming before us. He then once again stressed that if this proposal is realized, there will be no danger of a clash between the two sides in the Joint Security Area as well as in the Headquarters area, and this will actually guarantee the peaceful atmosphere of the important North-South dialogue.

Our side's senior member emphatically stated that, because the U.S. side said that it would carefully study our proposal, he hoped that the opposite side would show an affirmative response: (inserting two concluding paragraphs, deleting concluding sentence "the meeting continues.")

#### U.S. RESPONSE TO TRIPARTITE TALKS PROPOSAL URGED

SK281148 (Clandestine) Voice of the RPR in Korean to South Korea 1000 GMT 26 Jul 85

[Talk by station commentator Yun Chong-won from the "Today's Feature" program: "The United States Should Respond to the Proposal for Tripartite Talks Without Delay"]

[Text] How are you, listeners? In his answers to the questions raised by chief editor of the Japanese monthly magazine SEKAI, the great leader Comrade Kim Il-song again proposed holding tripartite talks in which the South Korean authorities would also participate in talks between Korea and the United States on an equal footing and in which a peace agreement would be signed between Korea and the United States and a declaration of nonaggression adopted between the North and South in an effort to remove tension and to establish solid peace on the Korean peninsula.

The proposal for tripartite talks put forward by the great leader is the most fair, aboveboard, and reasonable proposal for negotiations to eliminate the root cause of the recurrence of war and to provide a precondition for the peaceful resolution of the question of the Korean peninsula under today's pressing situation in which the danger of war is growing.

This proposal is also a fair and aboveboard one which fully reflects not only the demands of the situation prevailing on the Korean peninsula, but also the historic [word indistinct] of North-South dialogue held since the announcement of the 4 July North-South joint statement as well as the demands of the United States and the South Korean authorities. This is why this proposal has won active support and sympathy at home and abroad since the first day of its announcement.

Nevertheless, the United States has not yet responded to this proposal. Talking about a so-called direct North-South dialogue and quadripartite talks, the United States has asserted that a direct North-South dialogue be held first and, when necessary, the states concerned can participate in the dialogue for negotiations. Thus, it has come up with a farfetched insistence in a bid to play for time. This is an assertion that has laid completely bare the hypocritical nature of the United States, which does not square its conduct with its words.

As you well know, the tripartite talks are [words indistinct] which the United States proposed after the North proposed to the United States holding Korea-U.S. talks.

This notwithstanding, today the United States is saying that it cannot respond to the North's proposal for tripartite talks, thus changing its attitude. Why is this? It is because of the wild ambition of the United States to maintain the present status of division on the Korean peninsula and to make South Korea a permanent colony and military base.

As is known to the world, the main strategy in U.S. policy toward the Korean peninsula at present is the line to fabricate two Koreas. However, the adoption of the two Koreas line by the United States does not mean that its military strategy toward Korea to dominate the whole area of the Korean peninsula has changed.

The two Koreas line of the United States is precisely the reflection of the U.S. strategic requirement that the present state of division is desirable rather than reunification on the Korean peninsula in order to continuously maintain even its already secured initiative in South Korea under the current situation in which its wild ambition to dominate the Korean peninsula has come to a deadlock.

All things that the United States has insisted on, including simultaneous entry of the North and South into the United Nations, cross-recognition of the North and South [word indistinct], and direct North-South dialogue, are nothing but a diplomatic strategy to create international circumstances favorable for maintaining two Koreas. Precisely herein lies the reason for the U.S. rejection of the proposal for tripartite talks.

The U.S. rejection of the proposal for tripartite talks is due to its wild ambition to utilize South Korea as a bridgehead for its aggression against the Korean peninsula and the socialist countries.

Aggression and war are the inherent nature of the U.S. imperialists and their way of life. Accordingly, the U.S. imperialists have pursued their invariable policy of aggression and war on the Korean peninsula and throughout the world.

One of the target areas for aggression that the United States is seeking today is Northeast Asia, and the ignition point for U.S. aggression is the Korean peninsula. The United States has not only tried to continuously secure South Korea as its colony and military base, but has also attempted to realize its wild ambition for aggression against the Far East [words indistinct].

It is one of the basic aims of U.S. strategy toward Asia and the main goal of its military strategy toward the Far East today to turn this land into not only a base for aggression against the North, but also a forward base for aggression against the socialist countries in Asia.

The U.S. acceleration for the formation of a military alliance among South Korea, the United States, and Japan, its repeated conduct of such South Korean-U.S. joint military exercises as the "Team Spirit" exercise, and its frantic engagement in war exercises simulating an attack against the North are also aimed precisely at realizing its plans for aggression. Another reason for the United States not to accept the North's proposal for tripartite talks lies precisely in this.

Such being the situation, all facts clearly show that peace, dialogue, and the like that the United States has talked about are not only mere hypocritical slogans for propaganda purposes, but also are camouflage to conceal its sinister schemes for aggression. The United States should stop its clumsy drama. If the United States really wants reunification on the Korean peninsula, it should respond to the proposal for tripartite talks.

#### LIVSEY'S REMARKS ON U.S. FORCES IN SOUTH DECRIED

SK291304 Pyongyang Domestic Service in Korean 2153 GMT 27 Jul 85

[NODONG SINMUN 27 July commentary: "The Aggressive Forces' Self-Justification"]

[Text] A meeting was recently held at the parade grounds of the U.S. 8th Army in South Korea to commemorate the activation of the UN Command. Picking a quarrel with us by saying that the threat from the North still exists, Livsey, commander of the U.S. forces occupying South Korea, resorted to sophistry, describing these forces as a reality that has been indispensable in achieving the freedom and prosperity of South Korea.

It is intolerable for the U.S. imperialists to hold a commemorative ceremony to recall the incident of 30 years ago after provoking the Korean war and committing bestial barbarities against God and men as well as against our people by dragging troops from 15 countries that followed them into this war by stealthily using the flag of the United Nations. It is indeed brazen for a thief who has broken into another man's house to boisterously babble about a threat from someone and to say he will contribute to bringing about the prosperity of this household.

We ask the U.S. imperialist aggressors if they are qualified to talk about a threat from someone while deploying U.S. forces numbering more than 40,000 and more than 1,000 nuclear weapons in South Korea and while daily staging war exercises of northward invasion with the puppets, reeking of powder.

Today the conversion of the Korean peninsula into a place where the danger of war is the greatest in the world is the outcome of the U.S. imperialists' occupation of South Korea and the U.S. policy of war. Although they have talked about freedom and prosperity, we can understand what freedom and prosperity the U.S. are clamorously babbling about from their bestial slaughter of the Kwangju uprisers who shouted for democracy, by mobilizing the puppet army troops under their control.

Demanding an investigation into the truth of the Kwangju incident, the South Korean students and people recently shouted for the Yankees to go home. Babbling about a threat and about prosperity is sophistry designed to justify the policy of occupying South Korea.

We recently proposed the convocation of talks between Korea and the United States to discuss the issue of replacing the Armistice Agreement with a peace agreement. Last year we proposed the convocation of tripartite talks to eliminate the danger of war and alleviate tension in Korea. By ignoring our peaceful proposals every time they were advanced, the United States directly revealed its real intention as an aggressor who does not want peace and the reunification of Korea.

It has been 10 years since the UN General Assembly adopted a resolution demanding the dismantling of the UN Command and the withdrawal of the U.S. forces wearing the caps of the UN forces from South Korea. In South Korea there are no UN forces but only U.S. forces; there is no UN Command, only the U.S. Forces Command.

The U.S. imperialists should not abuse the name of the United Nations. Seeing the U.S. imperialists hold a function by wearing the cap of the UN forces, which became obsolete long ago, we have come to realize that they appear to cherish the vicious intention of provoking a second Korean war and of once again dragging international mercenaries into South Korea. However, this is a futile illusion. Gone forever is the day when the U.S. imperialists played the role of an international gendarme by stealthily using the flag of the United Nations. No one fears this.

The U.S. imperialists should not make random remarks and should withdraw from South Korea, taking along with them their nuclear weapons and aggressive forces. This is the demand of our people in the North and South and is the desire of the people of the world.

#### REPORT ON TROOPS IN ANGOLA SAID 'FABRICATION'

SK300440 Pyongyang Domestic Service in Korean 2154 GMT 29 Jul 85

[NODONG SINMUN 30 July commentary: "Falsity Can Never Cloak the Truth"]

[Text] On 28 July, the Japanese paper SANKEI SHIMBUN carried a preposterous report that military personnel from our country have been sent to Angola to take charge of training and guiding the government troops for operations. Such a report is a total fabrication.

It is a stark lie to say that our country's troops are in Angola. On more than one occasion we have made it clear that no military personnel from our country have been sent to Angola. The only citizens of our country who are in Angola are members of the diplomatic mission and some specialist working in the civilian sector.

This fact is well known to the world, and the SANKEI SHIMBUN no doubt also knows this. Nevertheless, the paper arbitrarily spread a preposterous report, disclosing once again its vulgar political and moral nature. It also shows that the paper, in particular, shares a good part of the base and mean antirepublic slanderous propaganda of the imperialists, as a bugler serving the cause of the imperialists.

Not once but on many occasions the SANKEI SHIMBUN participated in the vicious propaganda offensive against our republic in league with the imperialists, including the U.S. imperialists, and their lackeys.

To lend credibility to its preposterous report, which completely distorted reality, the SANKEI SHIMBUN quoted remarks by a U.S. congressional source, who allegedly obtained the information directly from the caudillo of a counterrevolutionary clique in Angola. By so doing, the paper disclosed its relations of collusion and its vile nature.

Feeling uneasy about the daily-rising position of our republic in the international theater, the imperialists, including the U.S. imperialists, and their lackeys are now clinging to base, ignominious, and slanderous ruses of all descriptions aimed at smearing our country. As part of such a strategem, they are trying to put a preposterous label on our country to the effect that it has some terrorist elements or that it exports revolution. Motivated by such a strategem, they periodically fabricate totally unfounded facts concerning where our country's troops are stationed and how many troops are in those places, and are spreading such facts through pro-government propaganda means which they buy off with money.

The recent SANKEI SHIMBUN report is nothing but a link in such premeditated slanderous propaganda. It should be noted that the SANKEI SHIMBUN false report was strangely timed to coincide with the fact the U.S. ruling clique is kicking off a disgusting racket about prevention of terrorism after Reagan slandered us at an annual conference of the American Bar Association by directly linking our country to terrorism. We have no other choice but to believe that there are deep internal connections or ties in this regard.

We can never ignore the antirepublic slanderous rackets by the imperialists and their pro-government buglers. By spreading the false rumor that our country keeps regular military personnel in Angola, the imperialists in the West, including the U.S. imperialists, are also trying to justify the South African racists' maneuvers for aggression against Angola and their own wicked nature of politically and militarily supporting the South African racists. Falsity, however, can never cloak the truth.

Whatever falsity they may fabricate and try to disseminate, the imperialists and their pro-government buglers will never be able to undermine the dignity and authority of our republic, nor can they cause a crack in the solid friendship between our country and the numerous countries in the world. At the same time, they can never cloak the South African racists' brigandish maneuvers for aggression in Angola and the Western imperialists' hostile policy.

#### CPRF CONDEMNS SOUTH TROOP DISPATCH TO NICARAGUA

SK280827 Pyongyang Domestic Service in Korean 2200 GMT 27 Jul 85

[Text] The Secretariat of the CPRF has issued the following information in connection with the fact that military hooligan Chon Tu-hwan is dispatching puppet army troops to Nicaragua, following the U.S. imperialists' policy of aggression against the Nicaraguan people.

CPRF Secretariat Information No 326:

The South Korean puppets recently have been committing intolerable criminal acts against the Nicaraguan people, who have embarked upon the road to a new life.

According to a report, the Chon Tu-hwan traitorous clique, along with the U.S. imperialist aggressors, dispatched an advance team of commando unit members specialized in surprise attacks, disturbance, destruction, arson, and murders, to this region in the middle of last May in order to overturn the revolutionary government, which the Nicaraguan people achieved with blood, and to resuscitate the counterrevolutionary remnants. It is said that the clique will dispatch several commando units during October of this year.

Not long ago Singlaub, former chief of staff of the U.S. imperialists aggression forces in South Korea and chairman of the World Anticommunist League, snuck into South Korea.

One of the important goals of this visit also was to discuss a working-level matter of dispatching more South Korean Army troops.

The dispatch of South Korean Army troops to be used against Nicaragua is a vicious challenge of trampling underfoot the just demand of the Nicaraguan people and the world's progressive peoples that the U.S. imperialists' armed interference and their military aid to the counterrevolutionary forces be stopped. It is a cursed criminal act of trying to infringe upon and obliterate the independent and democratic new politics, new system, and new life of the people of this country.

The CPRF sternly denounces the schemes of aggression by the U.S. imperialists and the South Korean puppets, branding such schemes as a criminal act of trying to obliterate the Nicaraguan people's just cause to solidify their national independence and defend their country's sovereignty.

The Chon Tu-hwan traitorous clique has revealed itself more clearly on this latest occasion that it is not only a group of wicked colonial puppets, which is strangling the South Korean people aspiring for independence, democracy, and reunification, but also is a vicious enemy of the world's progressive peoples trying to defend national independence and sovereignty.

The South Korean puppets already committed the (?indelible) crime of killing all and burning everything by throwing numerous puppet troops into the warfront in South Vietnam. They opposed the just resistance by the Palestinian and Lebanese peoples, teaming up with the Israeli aggressors. They blocked the struggle for independence and freedom by the peoples of various countries in the world.

The puppets, who have accumulated such crimes, are trying again to dispatch numerous puppet army troops, who have undergone special training. Their real intention is to avert their serious political crisis, in which they have been cornered, and realize their sordid ambition for long-term power in office by further currying favor with the U.S. imperialist masters as their faithful dogs.

The puppets also have claimed that they too are friends of the peoples in the Third World aspiring for independence. But, given all facts involved, it can no longer be concealed that the rascals are the faithful stooges of the U.S. imperialists and rejected by the world people.

Before it comes to a miserable end amid the stern denunciation from our nation and the world's peoples, the Chon Tu-hwan ring should immediately stop the scheme of dispatching troops overseas, make an open apology before the world, and immediately withdraw the troops which have already been dispatched.

[Dated] 27 July 1985, Pyongyang.

REPORTAGE, COMMENT ON MOSCOW WORLD YOUTH FESTIVAL

LSWYK Head Meets WFDY Leader

SK270405 Pyongyang KCNA in English 0346 GMT 27 Jul 85

[Text] Moscow, July 26 (KCNA) -- Yi Yong-su, Chairman of the Central Committee of the League of Socialist Working Youth, who is staying in Moscow, heading the Korean youth and students delegation to the 12th World Youth and Students Festival met Walid Massri, [SFDY], president of the World Federation of Democratic Youth on July 26.

Views were exchanged on matters concerning the successful holding of the festival which will greatly contribute to the strengthening and development of the world youth movement.

#### Korean Club Opens

SK271540 Pyongyang KCNA in English 1514 GMT 27 Jul 85

[Text] Moscow July 26 (KCNA) -- The Korean Club opened on a grand scale on July 26 in Moscow amid keen interest of the attendants of the 12th World Youth and Students Festival, Soviet youth and students and working people. The Yermolova Theatre is used as the Korean Club during the festival.

The Korean Club is excellently furnished to arrange meeting, art performance, film show, book, photo and handicraft exhibition and various other functions simultaneously to strengthen the bonds of militant friendship and unity between the Korean youth and students and the progressive youth and students of the five continents of the world who are struggling for the cause of independence against imperialism and for the building of a new society under the banner of independence, friendship and peace.

Walid Massri, president of the World Federation of Democratic Youth, and foreign attendants at the festival were invited to the opening ceremony. Also invited there were Vladimir Andrianov, secretary of the Central Committee of the Lenin Young Communist League of the Soviet Union, other personages concerned, youth and students and working people in the city.

Chairman of the Central Committee of the League of Socialist Working Youth Yi Yong-su who is heading the Korean youth and students delegation spoke first at the opening ceremony. He said: Through activities at the Korean Club we will deepen the friendship with the progressive youth and students of the whole world and strengthen solidarity in the struggle to check and frustrate the imperialists' new war provocation manoeuvres and defend world peace and security and positively contribute to the success of the 12th World Youth and Students Festival.

Vladimir Andrianov spoke next. Saying that the Lenin Young Communist League [LYCL] of the Soviet Union highly appreciated the League of Socialist Working Youth of Korea for its many contributions to the preparations for the festival, he noted that the LYCL of the Soviet Union would make all efforts to consolidate and develop the friendly relations between the youth organizations and the rising generations of the two countries.

Then a performance of the Korean youth and students art troupe was given. On the eve of the opening of the 12th World Youth and Students Festival the Korean youth and student delegation gave a grand party at the DPRK Embassy in Moscow that evening.

#### Art Troupe Gives Premiere

SK280900 Pyongyang KCNA in English 0848 GMT 28 Jul 85

[Text] Moscow July 26 (KCNA) -- The Korean youth and students art troupe staying in Moscow to attend the 12th World Youth and Students Festival to be held in the Soviet Union under the slogan of anti-imperialism and solidarity, peace and friendship gave its premiere at the Yermolova Theatre, the Korean Club, on July 26 on the eve of the opening of the festival. It was the first performance of a foreign art troupe to be given on the occasion of the Moscow festival.

The performance was appreciated by Walid Massri, president of the World Federation of Democratic Youth, Vladimir Andrianov, secretary of the Central Committee of the Lenin Young Communist League of the Soviet Union, members of the Korean youth and students delegation led by Yi Yong-su, chairman of the Central Committee of the League of Socialist Working Youth and students delegation led by Yi Yong-su, chairman of the Central Committee of the League of Socialist Working Youth; Kim Hak-su, chairman of the Central Standing Committee of the League of Korean Youth in Japan, and functionaries of the league.

Seeing the performance together with many attendants at the festival, tourists and Moscow citizens were Comrade So Yun-sok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea, chief secretary of the Pyongyang Municipal Party Committee and chairman of the Pyongyang Municipal People's Committee, and other guests of honor and Korean Ambassador to the Soviet Union Kwon Hui-yong.

Songs and dances were put on stage in the performance that began with a chorus of "Song of General Kim Il-song". The performers sang Soviet songs popular among the Soviet people, delighting the audience.

Sentiments of friendship and solidarity pervaded the stage and auditorium when all the performers turned out on the stage, singing "The March of World Democratic Youth", and adorned the last scene of the stage with vigorous and graceful movements, with the emblem of the 12th World Youth and Students Festival projected on the backdrop of the stage.

#### NODONG SINMUN Welcomes Festival

SK281005 Pyongyang Domestic Service in Korean 2219 GMT 26 Jul 85

[NODONG SINMUN 27 July editorial: "We Warmly Welcome the Opening of the 12th World Student Festival"]

[Text] Amid the great interest and expectations of the peace-loving people and progressive students of the world, the 12th World Student Festival will open in Moscow, the capital of the Soviet Union, on 27 July. The Korean people and students extend warm congratulatory greetings to this significant festival of the progressive students of the world.

Personally receiving the delegation of the students of our country who will participate in the 12th World Student Festival, the great leader Comrade Kim Il-song grasped the status of the preparatory work of the delegation and provided guidelines for the work of the delegation.

More than 20,000 representatives of student organizations and students from more than 150 countries, including the socialist, nonaligned, and Third World countries, from five continents of the world and the representatives of various international and regional agencies will participate in the upcoming Moscow World Student Festival. At the same time, party and government leaders and social activists of many countries will participate in the festival as honorary guests.

This festival will be an unprecedentedly large function. Amid the deep interest and leadership of our people, the Korean people have positively carried out preparatory work for the festival and organized and sent a large delegation to the festival. Such a sincere effort clearly shows our basic stand toward contributing to developing the movement of the progressive students of the world by achieving the noble goal and ideal of the festival, toward strengthening friendship and solidarity with the students of the world in the joint struggle to achieve peace and progress, and toward continuously advancing with them shoulder to shoulder.

The great leader Comrade Kim Il-song has taught: The progressive youths of the world should firmly unite and jointly keep step with one another in the struggle to check and frustrate the war maneuvers of the imperialists and protect world peace and security. The slogan calling for antiwar, solidarity, peace, and friendship upheld by the 12th World Student Festival totally complies with the demand of the present international situation to strengthen unity in the anti-imperialist struggle to protect peace and the desires of the students of the world.

Although they differ in continents, regions, countries, ideologies, political views, and religious beliefs, the participants gathered at the site of the festival with a single intent to oppose the imperialists' aggression and their policy of war; to protect peace; and to strengthen friendship, unity, and solidarity in this struggle. Views on issues that have loomed acutely before our era, such as peace, arms reduction, nonalignment, anti-imperialist solidarity, economic crisis, new international economic order, fascism, and militarism, will be extensively exchanged at the festival. Such political activity will be beneficial in clarifying views on the important international issues of the present era and in guaranteeing the uniform activities of the international student movement.

The festival will carry out diversified cultural, artistic, and sports activities. Through the festival, the broad strata of the students of the world will advance vigorously to achieve the single goal for anti-imperialist solidarity, peace, and friendship; unity among them will become much more solid than ever before.

The 12th Student Festival will be a splendid international function, serving as a festival of friendship and demonstrating the high spirit and united might of the progressive students of the world -- the progressive force of our era. The festival will be another noteworthy event which will be of great significance in developing the international student movement in a wholesome manner, in strengthening the antiwar struggle of the people of the world to protect peace, and in further increasing the role of students in this cause.

Youths have assumed a great role in the struggle of the people to achieve national and class liberation and to reform nature and society. The youths of the new generation who love justice and truth, who are sensitive to new things, and who like to make reforms, have devoted themselves to the people and mankind and have attained brilliant achievements in this cause, taking the lead in all sectors, including the revolutionary struggle and the labor front, and overflowing with potential, passion, and an indomitable fighting spirit. Today the progressive students of the world have done so in the struggle to oppose the imperialists' vicious plot to touch off a thermonuclear war, a new war, to protect peace and security, and to build a new life.

Because of the maneuvers of the imperialists, including the U.S. imperialists, in making preparations of a war, especially a nuclear war, peace has been threatened and the danger of war has increased today in various regions of the world, including Asia, Europe, the Middle East, Latin America, and South Africa. The Northeast Asia region, including the Korean peninsula, is much more serious in this regard. If the flames of war burn in any area in the world, this will easily spread to a thermonuclear war, a world war, and mankind will suffer great disasters.

It is the vital demand of the present era to check and frustrate the maneuvers of the imperialists to provoke a new war. Correctly understanding this and courageously rising in the anti-imperialists, antiwar, and antinuclear struggle to protect peace, the progressive students of the world are struggling resolutely, urging the imperialists to stop making preparations for a new war and expanding armaments and are demanding nuclear disarmament, the withdrawal of aggressive military bases and aggressive forces from other countries, and the establishment of nonnuclear and peace zones in various areas of the world.

The struggle to prevent war and achieve peace is a sacred struggle to save the civilization of mankind and to guarantee the creative labor and happy future of students. In this struggle, unity is the source of invincible strength.

The 12th World Student Festival's vigorous fluttering of the anti-imperialist banner of solidarity reflects the firm stand and will of the progressive students of the world to further strengthen unity, solidarity, friendship, and cooperation in the anti-imperialist and antiwar struggle to protect peace. The Moscow festival will be a new opportunity to further strengthen the unity and solidarity of the progressive students of the world and will greatly encourage the students and progressive forces of the world struggling to prevent war and protect peace.

By strengthening friendly ties among the student organizations of various countries of the world, the international progressive student movement will be strengthened and develop into a much more powerful and lively movement. The role of this movement in the righteous struggle of the people of the world, including the anti-imperialist, antiwar, and antinuclear struggle to protect peace, will then increase further and much more vigorously promote the advance movement of the present era. The torch burning at the site of the festival symbolizes this.

The Korean students have assumed an important role in the international progressive student movement. Preventing the danger of war and protecting peace on the Korean peninsula and reunifying the divided fatherland are the most urgent tasks looming before the students of our country and all the Korean people. Because of the U.S. maneuvers to make war preparations and because of the policy of two Koreas, the situation on the Korean peninsula has become extremely strained and is on the verge of war, and the danger of the perpetual division of the country has increased.

The Korean students and people in the North and South and overseas have risen in the struggle to force U.S. forces to withdraw from South Korea and to reunify the fatherland peacefully. Not giving in to harsh suppression by the U.S. imperialist aggressors and the South Korean puppet clique, the South Korean students and people are courageously waging a patriotic struggle under the anti-U.S. banner of independence and the anti-fascist banner of democracy.

The struggle of the Korean students and people is closely linked to the struggle of the peace-loving people and students of the world to oppose imperialism, colonialism, and racism and to achieve peace, democracy, national independence, and social progress. Through the struggle to achieve the fatherland's peaceful reunification, the Korean students have exerted a positive effort to strengthen international solidarity with the youths of various countries of the world. In this struggle, we have won positive support and encouragement from the broad strata of the students of the world.

The people and students of the world extensively support our proposals for establishing a democratic confederal republic of Koryo and proposals for holding tripartite and North-South parliamentary talks for achieving peace and the peaceful reunification of Korea -- and resolutely demand the withdrawal of U.S. forces from South Korea. The ranks of those who support and sympathize with our cause of the fatherland's reunification has increased with the passage of time, encouraging the righteous struggle of our people.

Just as we did in the past, we will sincerely support and encourage the righteous anti-imperialist, antiwar, and antinuclear struggle of the people and students of the world and will exert every effort to strengthen international solidarity with our cause of the fatherland reunification. The Korean people and students hope that the 12th World Student Festival will achieve brilliant results as planned.

UNC TO STUDY NORTH PROPOSAL FOR MAC MEETING

SK292342 Seoul THE KOREA HERALD in English 30 Jul 85 p 1

[Text] Panmunjom -- The U.N. Command yesterday pledged to study a north Korean proposal that both sides hold a working-level meeting soon to discuss measures aimed at "demilitarizing" part of the "heavily fortified" Demilitarized Zone encompassing the Joint Security Area (JSA). The area, called the Military Armistice Commission (MAC) headquarters area, is 1-km-wide and 2-km-long with JSA in its center.

U.S. Rear Adm. Charles F. Horne III, senior UNC delegate to the MAC, gave assurance during the 429th MAC meeting held in this truce village yesterday morning that he would study the north Korean proposal. The meeting, the third one held so far this year, followed a north Korean proposal submitted last Friday.

In his opening statement, Maj. Gen. Yi Tae-ho, north Korean chief delegate, came up with the unprecedented offer for holding a closed-door meeting of MAC secretaries at a mutually convenient time between August and September for working-level discussion of his proposal. He said he was making the offer to provide south-north dialogue with "a favorable climate and conditions."

The four-point offer includes proposals that both sides:

-- Destroy all military installations and posts in their respective areas of the MAC headquarters area and remove all heavy and automatic weapons from the area.

-- Reduce their security personnel to 30 from 65 in the MAC headquarters area and each side would have not more than 10 guards, instead of 35, in the Joint Security Area.

-- Allow security guards assigned to the MAC headquarters area to carry one pistol each, with other troops in the JSA area to be banned from carrying any weapons.

-- Dispatch a Joint observer Team (JOT) plus members of the Neutral Nations Supervisory Commission (NNSC) to verify the mutual reduction on the size of the security forces and elimination of military installations in the respective area.

Noting that UNC has been making many constructive proposals in an effort to reduce tension in Korea, Rear Adm. Horne reminded Yi that the UNC would welcome any proposals aimed at reducing tension. "We will take back your proposal, review it thoroughly and provide you with our response," he said. Horne also urged Yi to make concerted efforts to help create a positive environment for the ongoing dialogue between South and north Korea. The meeting lasted 58 minutes, the shortest of such meetings in recent years.

LIBYAN FOREIGN MINISTER ARRIVES FOR 4-DAY VISIT

SK291215 Seoul YONHAP in English 1059 GMT 29 Jul 85

[Text] Seoul, July 29 (YONHAP) -- Libya's Foreign Minister 'Ali Abd al-Salam al-Turayki arrived here Monday evening for a four-day visit at the invitation of his South Korean counterpart Yi Won-kyong. Al-Turayki, secretary of Libya's General People's Committee for Foreign Liaison Bureau, is the first ranking Benghazi official to visit Seoul.

Accompanying Al-Turayki was a 15-member delegation, including Mohammad Ubayd al-Shukri, secretary of the General People's Committee for Utilities and Housing and Mohammad Ahmed al-Mangush, secretary of the Committee for Management and Implementation of the Great Man-Made River Project.

On Tuesday, Al-Turayki and Yi are scheduled to preside jointly over the first joint commission conference. The conference will deal with concluding agreements on culture, trade, economic, scientific and technical cooperation between the two countries, a ministry official said. The Korean and Libyan delegates will discuss ways to promote cooperation in the trade, construction and agricultural fields, the official added. During his stay here, Al-Turayki also plans to pay courtesy calls on Prime Minister No Sin-yong and other government officials.

In 1984, Korea exported 250 million U.S. dollars worth of industrial goods to Libya while importing crude oil from the Arab nation. About 23,000 Korean workers are currently participating in construction projects in Libya.

#### Meets With Yi Won-kyong

SK300615 Seoul YONHAP in English 0601 GMT 30 Jul 85

[Text] Seoul, July 30 (YONHAP) -- South Korean Foreign Minister Yi Won-kyong Tuesday called on Libya to support Seoul's efforts to keep the inter-Korean talks moving, because direct dialogue between Seoul and Pyongyang is the "most realistic way" to resolve the Korean question. In a meeting at the Foreign Ministry here, Yi appealed to 'Ali 'Abd Al-Salam Al-Turayki, Libya's secretary of the General People Committee for Foreign Liaison, to support South Korea's efforts to join the United Nations. Yi also called for Libya to support Seoul's position in the meeting of non-aligned countries' foreign ministers, to be held next September in Angola, and to cooperate with Korea in its efforts to make the 1988 Seoul Summer Olympics a success, a Foreign Ministry Official here said.

Seoul and Tripoli have maintained full diplomatic relations since December 1980. Accompanied by an 11-member entourage, Al-Turayki arrived here Monday for a four-day official visit at the invitation of Yi. Following their 30-minute meeting, Yi and Al-Turayki presided over the first Korea-Libya joint committee meeting for the promotion of bilateral trade and economic cooperation. In recent years, Korea and Libya have developed thriving bilateral trade. Korea's exports to Libya totaled 250 million U.S. dollars and its imports from the North African country amounted to 260 million dollars last year. In addition, about 23,000 Koreans are now working on construction projects in Libya.

#### JAPANESE PAPER CITED ON NORTH TROOPS IN ANGOLA

SK300325 Seoul CHUNGANG ILBO in Korean 29 Jul 85 p 4

[Text] (Tokyo -- YONHAP) Quoting a U.S. congressional source, the Japanese paper SANKEI SHIMBUN reported, on 28 July, that since last June North Korea has sent some 3,000 military personnel to the pro-Soviet African country of Angola to take charge of training and guiding the government troops for operations in various places, including the capital city of Luanda, in the northern part of the country. Saying that the U.S. congressional source had obtained this information from Jonas Savimbi, commander of the National Union for the Total Independence of Angola, an organization engaged in a guerrilla war against the pro-Soviet Angolan Government, while visiting the country recently, the SANKEI reported that this was the first time North Korea's dispatch of military personnel to Angola had been confirmed.

MESSAGES, EDITORIALS MARK PRK, SRV MEMORIAL DAYS

## Heng Samrin Greets SRV

BK270843 Phnom Penh Domestic Service in Cambodian 2300 GMT 26 Jul 85

[Recorded greetings message from PRK Council of State Chairman Heng Samrin to families of Vietnam's dead soldiers and war invalids on the occasion of Vietnam's 27 July Disabled Veterans and War Heroes Day]

[Text] Dear families of dead soldiers, comrade wounded disabled and sick combatants of the VPA: On the occasion of Vietnam's 27 July Disabled Veterans and War Heroes Day permit me on behalf of the entire PRK party, government, and people to extend to the wounded, disabled, and sick combatants; to the families of the dead soldiers; to the families of soldiers in general; and to all combatants of the fraternal VPA my best and warmest greetings.

Under the leadership of the CPV, the Vietnamese people and the heroic VPA from generation to generation, from the war against France and the United States to the struggle against the genocidal Pol Pot gang, have held loft the invaluable spirit of proletarian internationalism and wholeheartedly assisted and joined with the Cambodian people and their Revolutionary Armed Forces in preserving and safeguarding the revolutionary gains.

The PRK party, government, and people would like to express profound gratitude to the CPV, the SRV Government, and the Vietnamese people. We will never forget the noble service rendered by the dead soldiers and the wounded, disabled, and sick combatants of the VPA who have cooperated shoulder to shoulder with us in our struggle against the common enemy, regarding our people and our beautiful land of Angkor as their own people and their own beloved country, making numerous sacrifices in flesh and blood, and enduring difficulties and hardships in the service of the revolution.

The fighting spirit, courage, and resolute determination against the enemy displayed by the heroic VPA on Cambodian soil have always been the model for all of us to study and emulate. I take the opportunity of this occasion to express profound gratitude to all parents, wives, children, and relatives of the combatants both past and present for sacrificing their loved ones and for enduring all the sadness and longing in the cause of the Cambodian people. I extend to all comrades -- wounded, disabled, and sick veterans of the Vietnamese Volunteer Army who are hospitalized my warmest greetings and best wishes for a prompt recovery. I wish the fraternal Vietnamese people and their Army more and greater victories in the cause of rebuilding and defending the socialist Vietnamese fatherland. May the special solidarity between the Cambodian people and their Revolutionary Armed Forces and the Vietnamese people and their Army last forever.

## Bou Thang Message

BK290240 Phnom Penh Domestic Service in Cambodian 1200 GMT 28 Jul 85

["Text" of "recent" greetings message from Bou Thang, PRK defense minister, to General Van Tien Dung, SRV defense minister, on Disabled Veterans and Fallen Heroes Day]

[Text] The KPRAF and fraternal VPA have a long tradition of fighting valiantly -- under the common leadership of the Indochinese Communist Party -- in the struggle to liberate their class and nations.

Many heroic VPA combatants have made great sacrifices on Cambodian soil by fighting resolutely, shoulder-to-shoulder with the genuine KPRAF, thus driving out the colonialists and imperialists and, in particular, rescuing the Cambodian people from the genocidal regime of the Pol Pot-Ieng Sary-Khieu Samphan clique. They have now been joining with the KPRAF in defending our territorial integrity and our Cambodian people's peaceful life.

On the occasion of your Disabled Veterans and Fallen Heroes Day, 27 July, on behalf of the entire KPRAF and in my own name, I would like to express profound gratitude and thanks to the fraternal Vietnamese combatants, fallen heroes, wounded, and invalids, as well as the CPV, government, people, and People's Army of Vietnam for their assistance and close cooperation with the Cambodian people and the KPRAF. At the same time, through you, I would like to extend best regards to all Vietnam's wounded and invalids in both Cambodia and Vietnam who have fulfilled their internationalist duties by defending the Cambodian fatherland. We would like to also extend best regards, permeated with profound feelings of gratitude, to the families of all Vietnamese Army volunteers who have been carrying out their internationalist duties in the PRK. We pledge to follow the heroic model set by the fraternal Vietnamese Army volunteers, enhance our spirit of self-assistance, and firmly consolidate the bond of special militant solidarity between our two peoples and Armies.

Please, comrade minister, accept our highest regards.

**KANGTOAP PADEVOAT Editorial**

BK280555 Phnom Penh Domestic Service in Cambodian 1200 GMT 27 Jul 85

[KANGTOAP PADEVOAT editorial: "Always Be Grateful to the Noble Sacrifices of Vietnamese and Cambodian Fallen Heroes and Disabled Veterans, and Always Pledge To Learn From These Good Models"]

[Text] The dates 27 and 31 July mark the noble deeds of Vietnamese and Cambodian fallen combatants and war invalids who sacrificed their flesh and blood for the independence and happiness of their beloved fatherlands and for the noble international proletarian duty. After our country and nation were liberated from the genocidal Pol Pot-Ieng Sary-Khieu Samphan regime on 7 January 1979, our Cambodian people were reborn. Everyone is happy and life is easy. The Cambodian people enjoy their full rights and live happily with their families.

All of this is due to the sacrifices of flesh and blood made by the heroic Cambodian and Vietnamese combatants on all battlefields in the fatherland. These heroic Cambodian and Vietnamese combatants have shed their blood for the sake of a peaceful life for the people.

The days 27 and 31 July mark the great and unforgettable sacrifices made by the two nations' combatants. On these occasions, all of us would like to express our appreciation and gratitude to these fallen Cambodian and Vietnamese cadres and combatants, to the wounded and invalid combatants as well as their families, who sacrificed everything for the victory of the Cambodian revolution. In particular, we will always be grateful to the Vietnamese dead, wounded, and invalid combatants, as well as to their mothers, fathers, brothers, sisters, children, husbands, and wives who have provided material assistance and international proletarian spirit to the Cambodian people with the goal of rescuing the Cambodian territory and people so that they will have a brilliant future.

Therefore, in order to correctly respond to these noble deeds, the PRK party and state issued the policy on fallen, wounded, and disabled veterans and their families. It must not be misunderstood. The implementation of the policy toward fallen, wounded, and disabled combatants and their families is the duty of the Army. This is a great and important duty of the entire party, people, and Army. This duty must be carried out in order to obtain good and strong results.

Various mass organizations, people's revolutionary committees, and party committees at all levels throughout the country must always pay attention to and implement well this policy in order to avoid all the handicaps. All assistance and facilities possible must be provided to the wounded and invalid cadres and combatants and their families. Cambodian and Vietnamese wounded and invalid combatants must be visited at their places or hospitals throughout the country. In particular, children of wounded and invalid combatants on the front-line battlefields must be given more attention. Material and spiritual assistance and support must be given to these children. We must help them to have a good future. We must clearly realize that the independence, freedom, and happiness of our Cambodian people are due to the great sacrifices that the fraternal Vietnamese soldiers and people made with their flesh and blood.

The National Defense Ministry has paid special attention to the disabled veterans by creating separate living centers for them. The ministry has organized cultural and professional courses for wounded combatants so that they will be able to get jobs contributing to the defense and construction of the country. In the past, a number of war invalids who have developed their struggle spirit have earned their living without relying completely on aid from the state. Furthermore, many families of the fallen, wounded, and disabled veterans have actively participated, with high patriotic spirit, in agricultural production for self-reliance. All of this has strengthened the spirit of our male and female youths who have successively volunteered to serve in the Army. This has developed steadily the movement to build our KPRAF.

On the occasion of the Disabled Veterans and War Heroes Days of the two countries, our Kampuchean People's Revolutionary Army is determined to learn from the noble model sacrifices of the two heroic Armies. We pledge to always make every effort to temper and learn the spirit of the working class and develop well the traditions of revolutionary struggle. We have to be loyal to the party and the people. We must dare to sacrifice everything for our beloved people and fatherland. Although we have clearly realized that there are many difficulties and dangers to our lives in the struggle against the enemy, we are determined to sacrifice everything without hesitation or regret. Moreover, we must not be inactive. We must further develop our recent victories in order to strengthen our nation and country. We pledge to strengthen our internal solidarity, and we are especially determined to strengthen the close bonds of solidarity with the Vietnamese Army and experts who have fulfilled their international proletarian duty on Cambodian territory. These bonds of solidarity have ensured that the development and strength of the Cambodian revolution advance step by step toward glorious socialism.

We would like to wish that all families of Cambodian and Vietnamese fallen combatants, as well as all fraternal Cambodian and Vietnamese wounded and disabled veterans enjoy happiness, strength, and cleverness. May they achieve many more new successes in order to contribute to the defense and construction of our two fatherlands advancing steadily with every passing day toward socialism.

## KAMPUCHEA on Holiday

BK291052 Phnom Penh Domestic Service in Cambodian 2300 GMT 27 Jul 85

[KAMPUCHEA editorial: "Continue To Develop Front-Line Victories and Strive To Implement Well the Policy Toward Disabled Combatants, Families of Fallen Combatants, and Families of Soldiers" -- date not given]

[Text] All the resounding victories won in the 1984-85 dry season and the big achievements made by our Cambodian people during the past 6 years constitute a strategic step in the Cambodian revolutionary process. Our soldiers, our compatriots, and hundreds of thousands of our comrades have made heroic sacrifices for the cause of national liberation, defense, and reconstruction. For several past decades, the outstanding sons of our fatherland in close cooperation with the heroic combatants of the Vietnamese Volunteer Army fought the French colonialists and U.S. imperialists and struggled to topple the Pol Pot-Ieng Sary-Khieu Samphan genocidal regime -- cheap lackey of the Beijing hegemonist-expansionists -- in order to seize independence and freedom for our people and fatherland. At present, fearing no difficulties or personal danger, cadres and combatants of our regular, regional, militia, and guerrilla units in all localities, cadres and combatants of our police force, and militant workers of our national defense labor movement are braving all obstacles and struggling shoulder-to-shoulder with the Vietnamese Army volunteers in order to crush the Pol Pot remnants and other Cambodian reactionaries. In such a struggle, we could not avoid the loss of lives. In fighting for the cause of our Cambodian revolution, some cadres and soldiers have sacrificed some of their flesh and blood, even their whole lives. Despite this, the heroic will to fight and the spirit of sacrifice of our combatants and militant workers as well as the Vietnamese Army volunteers have not diminished.

In response to this heroic model and great service, our party, state, and people have paid particular attention to the wounded and disabled combatants, families of the fallen combatants, and families of the soldiers. Since the beginning of 1980, our party and state set forth many policies concerning the wounded and disabled combatants, the families of the fallen combatants, and the families of soldiers. Recently, the Ninth Session of the PRK's First National Assembly decided to establish the Ministry of Disabled Veterans and Social Actions. This has clearly shown the profound feelings, sense of responsibility, and all-round attention of the people toward the wounded and disabled combatants, the families of fallen combatants, and the families of soldiers. The party and government have also selected 31 July of every year as the day on which the whole party, Army, and people commemorate the combatants killed, wounded, or disabled for the nation and fatherland and mark the Vietnamese Disabled Veterans and Fallen Heroes Day, 27 July, to express gratitude to the cadres and combatants of the Vietnamese Volunteer Army who sacrificed their glorious lives while fulfilling their internationalist obligation in Cambodia. As for the disabled and wounded workers taking part in the national defense work, they also receive the same attention and care as the soldiers from the party and government.

The responsibility of the localities, sectors, and mass organizations of each local work unit and of the whole people should cover every aspect of the policies set by the party and government concerning the disabled or wounded combatants, the families of fallen combatants, and the families of soldiers; whip up a movement to persuade the people to participate in efforts to take care of and provide assistance to the wounded or disabled combatants, the families of fallen combatants, and the families of soldiers; and work out concrete and truly effective measures for assistance. This means creating conditions for the fraternal wounded or disabled combatants and the families of fallen combatants to have both material and moral stability and to take part in social activities.

The wounded or disabled combatants and the families of fallen soldiers should heighten their sense of patriotism, intensify hatred of the enemy, and set an example in overcoming difficulties. People highly value your endeavors and contributions and those of your families in the cause of national defense and reconstruction.

At present, the Pol Pot gang and its bosses have been suffering serious defeats. But they continue to seek to undermine the Cambodian revolution by all means. Losing their control, they continue to loot the people's property and sabotage the revolution. This calls for our Army and people to remain constantly vigilant and resolute and to smash all sabotage maneuvers and tricks of the enemy. We must be resolute and heighten our determination to accelerate the rainy-season tasks, to proselytize the whole people against the enemy, to promote the movement to persuade misled people to return and live with the people and revolution, and to build strong villages and communes. At the same time, we must pay close attention to implementing -- to the best of our ability -- all policies vis-a-vis the wounded or disabled combatants and militant workers, the families of the fallen combatants and militant workers, and the families of the soldiers engaged in front-line missions. For the immediate future, it is imperative to carry out successfully the following tasks:

In the battlefields, it is imperative to thoroughly provide treatment for wounds and illnesses, to take care of the health of combatants, and to visit and boost the morale of wounded or disabled combatants and militant workers in a timely manner. At the same time, pay attention to providing for all aspects of the livelihood of the combatants and militant workers who are engaged in front-line missions.

In the localities, the party, administration, and mass organizations must implement well all party and state policies set for the wounded or disabled combatants and militant workers, the families of fallen combatants and militant workers, and the families of soldiers by putting forward concrete principles and measures; be creative and maintain mastery in providing timely assistance to families experiencing unexpected difficulties; educate our cadres, combatants, and people in general, particularly the young people, in the heroism and courageous sacrifice of the combatants and militant workers and of the combatants of the Vietnamese Volunteer Army who are fulfilling their socialist internationalist obligation in Cambodia; and accelerate vigorously all immediate tasks in the current rainy season by enthusiastically volunteering for army service, building the Armed Forces, and being resolute in contributing to the cause of national defense.

All centers for invalids must pay close attention to providing management, training, and both material and moral assistance for the fraternal disabled soldiers. At the same time, it is imperative to take care of and provide training for the disabled or wounded combatants, the families of the fallen combatants, the families of soldiers and militant workers so they can continue to develop the revolutionary tradition and the spirit of self-reliance, become peace-setting models, remain active in contributing to all social activities, and contribute to the national defense and reconstruction cause.

On the occasion of the Cambodian day for fallen soldiers and wounded or disabled combatants and the Vietnamese day for war invalids and dead soldiers, the whole party, Army, and people would like to express profound gratitude to the heroic combatants who sacrificed their lives for the independence and freedom of the fatherland and for the glorious internationalist cause and would like to send greetings to the comrade wounded or disabled soldiers, and the families of Cambodian and Vietnamese soldiers. We wish all of you success in all of your tasks.

DEFECTOR CITED ON FORCED LABOR, OTHER ISSUES

BK260159 Bangkok BANGKOK POST in English 26 Jul 85 pp 1, 3

[By Pichai Chunsuksawat]

[Text] Vietnam plans to start a permanent resettlement programme of Khmers living in the interior towards the border provinces next year, a former Heng Samrin cadre who defected to Thailand two months ago told the BANGKOK POST.

In a rare interview with selected reporters on Wednesday, Dr Saren So, the former deputy Director of the Kampuchean-Soviet Friendship Hospital, the largest Khmer hospital in Phnom Penh, says that the permanent resettlement plan is an extension of Hanoi's forced labour programme.

Dr So, presently housed at the temporary refugee centre of Site Two (Dong Rek) in Prachin Buri Province, told reporters that conscripts would be moved to the Provinces of Kompong Thom, Preah Vihear, Siem Reap, Battambang and Pursat.

The Khmer defector says he was part of a Khmer delegation to the Soviet Union in January this year visiting Soviet hospitals and is not a member or pre-member of the communist party.

The permanent resettlement of Khmers is "Phase Three" of the forced labour programme started last year, the doctor adds.

Dr So believes that the system used in selecting Khmers for forced labour applied to all provinces in the war-torn country with the mayor of each town passing orders to the neighbourhood chiefs of each village.

The order was to conscript Khmers between the ages of 18 to 45 for work.

Often quotas laid out could not be filled, he said, adding that women would be included to make up numbers.

"The first people to be conscripted for work in 1984 were those families living along the border provinces," says Dr So who was forced to work as a labourer himself under the Pol Pot regime between May and October 1975.

The first aim of the scheme was to build and repair the road between Kompong Thom and Preah Vihear Province.

The road was built and improved so as to send supplies to troops and workers in the area.

After this phase, says the doctor, whose immediate boss is Deputy Health Minister Chhea Thang, orders were issued to collect families in Preah Vihear Province and other border areas and relocate them on both sides of the road.

They were ordered to clear and cultivate the forested areas on both sides of the road, Dr So told newsmen.

The Khmer doctor adds that the Khmers involved in the displacement would be given basic military training, armed and given militia type duties and be considered part of the border force.

This would be the case in all border provinces, he said, adding that the Vietnamese troops would then be further moved towards the interior.

A considerable number of Vietnamese troops are already deployed in areas surrounding Tonle Sap.

Dr So does not know how many Kampucheans would be involved in the displacement but word going around the city cites the figure to be between 25,000 to 30,000 from each province.

Earlier in April this year Hun Sen authorised an offer titled S-85 which called for the resettlement of Khmers not previously forced to work, to be assigned for duties in the Tonle Sap area, adds the Khmer doctor.

Some families have already moved into areas around this resource-filled areas, says Dr So.

These Khmers, he said, are being given military and political training aimed at "attacking" enemies of the regime in the Tonle Sap area.

He said that since the forced labour scheme started all six Khmer civilian hospitals in Phnom Penh were ordered to send medical teams to care for the conscripted workers near the Thai-Kampuchean border.

The Kampuchean-Soviet Friendship Hospital, which holds about 500 beds and treats only high-ranking, middle-ranking Khmer cadres and civilians, had already sent four teams comprising about 20 personnel each since the programme started, he said.

Each group consisted of a doctor, nurses and medics who treated both wounded and the sick for periods of up to three months. The medical teams did not treat Vietnamese soldiers, Dr So said.

The Khmer defector said he did not know if other provincial hospitals were required to send medical teams as well.

He said, however, that he knew of one doctor in Prey Veng Province who had cared for conscripted workers in Siem Reap Province.

Dr. So could not say how many Kampucheans were conscripted for work or what the conditions were like for the Khmers conscripted to work as he was not part of the committee which planned the scheme.

The doctor said, however, that medical personnel who returned from their stint with the workers often suffered from malaria, jaundice and viral infections which often could not be completely cured.

Many of these personnel, including doctors, could not work efficiently, he said, adding that there is already a shortage of doctors and trained medical personnel in Phnom Penh.

Dr So said that the committee which formulates and issues the labour conscription orders is headed by Premier Hun Sen and is attended by at least a deputy minister from each of the regime's ministries.

Chhea Thang, one of three deputy health ministers, attended these committee meetings, he said, adding that Hun Sen's senior Vietnamese adviser also attended these meetings.

He does not know the name of this Vietnamese official.

Dr So said, however, that Hanoi has a high-ranking health official stationed in Phnom Penh and identified him as Deputy Vietnamese Health Minister Nguyen Tang Am.

He said Nguyen Tang Am did not attend these committee meetings but would on occasion attend Health Ministry meetings chaired by Comrade Thang in which the committee's guidelines would be laid out.

Dr So said that he attended these ministry meetings.

The Khmer doctor says that when word spread throughout Phnom Penh about the death of the former premier Chan Si around the end of December last year he paid particular interest to the subject.

While in Moscow in January this year visiting Soviet hospitals he made it a point to ask about the former premier.

Dr So says that he met the Heng Samrin ambassador to Moscow while in the Soviet Union, adding that the ambassador was the only one allowed to pay respects to the body of Chan Si after his death. Chan Si, he believes, was hospitalised in Moscow for a week after previously being hospitalised in Hanoi for two weeks.

Dr So adds that after one month in the Soviet Union, where he visited hospitals in Moscow and Leningrad, he stopped over in Hanoi before returning to Phnom Penh.

His stay in Hanoi also coincided with the return of Chan Si's body, the Khmer defector said.

The doctor said that a person close to Chan Si had told him that the former premier was in good health before he was hospitalised and died of a coronary.

Speaking about the Khmer resistance and security around Phnom Penh, Dr So said that he had heard that the Khmer Rouge were active about 15 to 20 kilometers from the city.

Dr So said that he knows of fighting between Heng Samrin forces and the Khmer Rouge to the north of the city but has not seen any visible activity within the city itself.

There appears to be some sort of front, some underground movement by the Khmer Peoples National Liberation Front (KPNLF) and FUNCINPEC led by Prince Norodom Sihanouk within Phnom Penh, he said.

The doctor said, however, that he has not had contact with them nor are they openly active in the city.

#### THAI PAPER REVIEWS INTERNAL STRIFE IN RESISTANCE

BK300301 Bangkok BANGKOK POST in English 30 Jul 85 p 3

[By Jacques Bekaert]

[Text] Incidents between elements of the National Army of Democratic Kampuchea [NADK] (the Khmer Rouge) and their nationalist allies are nothing new.

But according to a recent report sent by Prince Norodom Ranarith to his father, Prince Sihanouk, the clashes which occurred between February and June this year were the most serious so far.

On February 16 an ANS [Sihanoukian National Army] unit was attacked by Khmer Rouge soldiers from the Prey Man base. The incident took place in Phlov Kat, south of Kraleng, in Siem Reap Province. The NADK left with eight AK-47 rifles belonging to the nationalists.

Far more serious was a skirmish on May 16th when elements from NADK regiments 51/52 under commanders Pheap and Kap are said to have killed 8 ANS soldiers, and captured 30 others. Like most other incidents it took place in Siem Reap province. Two days later, on May 18 the same NADK regiments destroyed one of the ANS forward bases called Nokor Pheas. The Khmer Rouge walked away with 63 AK-47's, three B40s, six RPGs and several other pieces of equipment.

Heavy fighting took place on May 30, June 2, 4 and 8. The most serious incident occurred on June 4 when NADK troops from regiments 51/52, 91/92 and 808 killed 13 ANS soldiers as well as a few villagers sympathetic to the ANS.

As early as August and September 1983 both the ANS and the Khmer People's National Liberation Front (KPNLF) were privately complaining about their problems with the NADK. During the General Assembly of the United Nations several countries in ASEAN as well as in the West complained about such incidents to representatives from China. It was believed that Beijing, being the only supplier of weapons for the NADK should have some leverage, and could put pressure on the Khmer Rouge to make them behave.

A year later, on July 15, 1984, Prince Sihanouk sent a letter to Democratic Kampuchea Vice-President Khieu Samphan. The prince threatened to resign from the coalition after being told that some of his soldiers had been killed by the Khmer Rouge. The incident, which according to news agencies left eight ANS soldiers dead and 16 missing, took place in Siem Reap province on July 5. Later the NADK returned some of the weapons and men it had taken prisoner.

A few weeks ago Prince Ranarith brought the matter of the recent incident to the attention of Son Sen, who represents the Party of Democratic Kampuchea at the military commission of the Coalition Government.

His answer was that since the NADK and the ANS were allied, such incidents could not have been committed by his men. And he blamed it, once again, on "Vietnamese agents". Still an investigation was promised. But a month later the investigation "was still going on" and Prince Ranarith decided to send a full report to his father.

Several weeks ago, General Toan Chay, the ANS chief of operations, told us that recent incidents with the Khmer Rouge mostly involved troops commanded by Ta Mok. Their base is located east of the Sihanoukist's positions and they operate in Oddar Meanchey and Siem Reap provinces.

Ta Mok is one of the most famous and probably one of the most feared of the Khmer Rouge leaders. He was born in Takeo province, probably in 1928 and became a communist militant at an early age. He is also known as Chhit Choeun and some commentators identify him as Nguong Kang, once a deputy secretary of the Communist Party of Kampuchea. A member of the Issarak Front in the late forties and early fifties, Ta Mok became well known for his cruelty.

In the early seventies he was one of the leading figures in the Southwestern zone and along with Thuch Rin, played a key role in the elimination of the "moderate communists" and the pro-Sihanouk elements.

"Mok had the power but he did not have much understanding of politics" local cadres later told Ben Kiernan, author of the book "How Pol Pot Came to Power."

Ta Mok is considered to be one of the men close to Pol Pot. His actions between 1973 and 1978 certainly contributed greatly to the enforcement of the full power of Pol Pot over the Kampuchean Communist Party. Since December 1979 Ta Mok has been deputy president of the Supreme Commission of the NADK, directly under Pol Pot.

In late 1983 several reports claimed Ta Mok had been wounded and had lost a leg but details of the incident were contradictory. Some source said he had been hit by his own men, others claimed he had stepped on a mine.

According to Toan Chay several members or close friends of Ta Mok have high ranking positions among the troops under his command.

Local Sihanoukist commanders told us that cooperation with other Khmer Rouge units were correct and that in various cases, the ANS even received some assistance from NADK soldiers. In the past several soldiers attached to the Ta Mok division have tried to join the ANS but transfers are strongly discouraged to avoid further problems between the resistance partners.

#### VODK CARRIES VILLAGERS' LETTER TO HENG SAMRIN

BK291428 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 27 Jul 85

[Open letter from people in Anlung Kreak, Ampil, Dang Kdaong, and Kantey villages, Don Tei commune, eastern part of Kompong Cham Province, to Heng Samrin]

[Text] We -- the male and female elderly -- would like to send an open letter to Heng Samrin via the National Army of Democratic Kampuchea operating in East Kompong Cham so that the radios can broadcast this message to inform Heng Samrin. We do not have any other way to send this letter to him due to the oppression by the Vietnamese.

Heng Samrin, the Vietnamese have occupied our Cambodian territory for nearly 7 years. You have known the Vietnamese well. Do you remember that the Vietnamese asked you to measure the lands in the border areas at Anlung Kreak and Thlok Trach for them? You saw with your eyes that the Vietnamese asked to stay in your village from 1970 to 1975.

Now, the Vietnamese have appointed you as a puppet to hide their barbarous aggression to swallow our Cambodian territory. Do you realize that the Le Duan Vietnamese have already swallowed your native village? The border line, which you used to show to the Vietnamese, was already demolished by them. The border lines in Thong Khum, Krek, Memot, Kamchay Mea, and Romeas Hek Districts adjacent to your native village were already abolished. The Vietnamese said that there is no more border. They added that these districts belonged to them a long time ago. The Vietnamese are swallowing not only our villages and districts in the eastern part of the country but all our Cambodian districts and provinces. They are swallowing our entire Cambodia. The Vietnamese appointed you as the chairman of the so-called front for national salvation but now they are saving our people by swallowing our entire Cambodia. They already swallowed your native village. In the past nearly 7 years, the Vietnamese have made every effort to swallow our nation and our people. Our people have suffered a lot from these Vietnamese acts.

Heng Samrin, you were appointed as a puppet leader of Cambodia. Do you realize that you have been confined by the Vietnamese?

How many Le Duan Vietnamese have guarded and directly controlled you? In and around your present house, your bodyguards, medics, cooks, and supervisors in the political field and other domains are all Vietnamese. There are many Vietnamese around you. The Vietnamese run all affairs and they order you to say: Yes, I agree with everything. You have seen with your own eyes that the Vietnamese consider you as a chained dog to serve them.

The Vietnamese trust only those who came from Hanoi, who they indoctrinated for 20 to 30 years. They appointed some ignorant Cambodians from Hanoi to high positions as their trusted henchman. One day, the Vietnamese will seek any pretext to kill you.

Heng Samrin, all people in your native village ask you to wake up. You should realize that the Vietnamese not only have waged aggression against and swallowed Cambodian territory but they have used you to serve them. They maltreat the people in your native village and district every day. Do you realize how the Vietnamese have maltreated and oppressed the people in Anlung Kreak, Ampil, Don Tei, Thlok Trach, Anlung Chrey, and other villages and districts where you used to stay in the past nearly 7 years? How are the survivors living under the iron yoke of the Vietnamese? Do you know that the Vietnamese chase away our Cambodian people from villages, districts, and provinces along our eastern border? Do you realize that they allow their nationals to settle in these areas? The Vietnamese do not let you know about all of this because you are staying in their jail. Perhaps you realize some of this.

Heng Samrin, you should make every effort to escape from the jail of the vicious Vietnamese. Did you hear that Democratic Kampuchea will consider you as a Cambodian citizen with full rights as long as you stand at the Cambodian nation's side? Do you know how the Vietnamese maltreat you? Do you know how the Le Duan Vietnamese exterminate the Cambodian race and people? You have clearly realized that the Cambodian nation and people will never bow to the Vietnamese aggressors and race exterminators.

The entire Cambodian nation and people have struggled against the Vietnamese in the past nearly 7 years. This period of time shows that the Vietnamese cannot extricate themselves from the impasse in Cambodia. They have been bogged down on the Cambodian battlefields, in their own country, and on the international scene. Perhaps you have listened to various radio broadcasts on this issue. Even in Anlung Kreak village, Don Tei commune, which is your own native village, the National Army of Democratic Kampuchea as well as the people in this locality have cooperated with one another to fight the Vietnamese enemy aggressors. The Vietnamese do not allow you to visit your own native village and district because they are afraid that you will realize the real situation in this area.

Heng Samrin, you should think about your own life and future. If you continue to stay with the Vietnamese aggressors, swallows of territory, and exterminators of the Cambodian race, your name will smell worse than excrement. Everyone will consider you as a traitor when you are alive and even after you die. If you can find a way to desert the Vietnamese enemy aggressors and return to stay with the Cambodian nation and people, everybody will consider you a patriot. You will have honor, prestige, and rank when you are alive and this prestige and honor will remain after your death.

Heng Samrin, you should think about this.

[Signed] The people in Anlung Kreak, Ampil, Dang Kdaong, and Kantey villages

FRIENDSHIP MEETING HELD WITH SOVIET PIONEERS

BK271142 Vientiane KPL in English 0905 GMT 27 Jul 85

[Text] Vientiane, July 27 (OANA-KPL) -- A friendship meeting between young Lao and Soviet pioneers was held here yesterday in salutation of the 30th founding anniversary of the Lao Pioneer's Brigade and of the 12th World Festival of Youth and Students.

More than 80 young pioneers from two sides attended the meeting which aimed at developing and enhancing the spirit of solidarity and friendship between pioneers of the two countries. Artistic programs were exchanged during the meeting by young pioneers.

In attendance were officials from the Laos-USSR Friendship Association and the Young Soviet Pioneer Camp to the Lao PDR.

PHOUMI VONGVICHIT ACCEPTS GDR GIFTS FOR CHILDREN

BK261032 Vientiane KPL in English 0915 GMT 26 Jul 85

[Text] Vientiane, July 26 OANA (KPL) -- A gift from the Government of the GDR to the Lao children is handed over here this morning to the National Committee of the International Year for the Child [NCIYC] of the Lao PDR. The gift is presented to chairman of the NCIYC, Phoumi Vongvichit, by the GDR ambassador to the Lao PDR, Dietrich Jarck. his gift is made up of educational materials and children's toys worth 15,000 marks (GDR currency).

SAMAN VIGNAKET ADDRESSES PARTY COMMITTEE MEETING

BK260548 Vientiane Domestic Service in Lao 1030 GMT 23 Jul 85

[Excerpts] On the morning of 20 July the grass-roots party committee of the Ministry of Industry, Handicraft, and Forestry convened its second congress at the club of the Nam Ngum power station. Present were Comrade Saman Vignaket, member of the LPRP Central Committee Secretariat and head of the Organizational Committee of the party Central Committee; Comrade (Angkha), head of the party Building Department; representatives of the party committees of the Construction Ministry, the Ministry of Trade, Vientiane Province, Keo Oudom District, and of battalion 603; and delegates from 19 party units under the Ministry of Industry, Handicraft, and Forestry.

Comrade Saman Vignaket, member of the party Central Committee Secretariat and head of the Organizational Committee of the party Central Committee, was invited to make a speech. Apart from hailing the success of the congress, he pointed to the role and leadership of the party, particularly the party leadership in the field of industry, handicraft, and forestry -- the central branch of the national economy. He pointed to the need to hold aloft the organizing, management, guiding, and implementation of the plans adopted by the party and state. He also called on all cadres and party members to hold aloft the attitude of the working class in its capacity as the vanguard; preserve the party's revolutionary quality; train and temper themselves in their revolutionary qualifications and ability; shoulder the heavy tasks entrusted by the party organizations, all-round strong party units, and all-round strong party members.

In conclusion, Comrade Ki Thounphala, member of the presidium of the congress, formally made the closing speech. The congress ended on the afternoon of 20 July with glorious success.

SRV TROOPS ATTACK BORDER OUTPOST, WITHDRAW

BK300947 Bangkok BANGKOK WORLD in English 30 Jul 85 p 3

[Text] Trat -- Vietnamese troops intruded into Thai territory and attacked an outpost manned by Border Patrol Police and Marines on the Banthat mountain range on Sunday night, police said today.

Police said the attack took place on an area opposite Ban Samaraengphu in Tambon Chamrak of Muang District.

An unspecified number of Vietnamese soldiers began shelling the Special Action outpost No. 220 with mortars. The Thai forces put up strong resistance and the fighting lasted for about 30 minutes before the Vietnamese retreated into Kampuchea, police said.

No casualties were reported on the Thai side. Thai forces along the border were ordered to be on alert.

FOREIGN MINISTRY STATEMENT ON PROXIMITY TALKS

BK291502 Bangkok Domestic Service in Thai 1300 GMT 29 Jul 85

[29 July Thai Foreign Ministry statement]

[Text] On 5 July 1985, the SRV Foreign Ministry issued a statement saying that on 3 July 1985, the Thai foreign minister, after returning from a visit to the PRC, proposed indirect talks between the CGDK and Vietnam. In this connection, the Foreign Ministry would like to explain the following facts:

1. On 8 July 1985, the ASEAN foreign ministers issued a joint communique in Kuala Lumpur calling for Vietnam to terminate its present policy of seeking a solution to the Cambodian problem through military means.
2. The ASEAN joint communique indicates that it is making a continuing effort to seek a solution to the Cambodian problem through political means. With its initiatives in seeking a political solution, ASEAN has consulted with the CGDK about the possibility of proximity talks or indirect talks between the government and Vietnam.
3. The CGDK has informed ASEAN that it is ready to hold talks with Vietnam to discuss the basic factors of a comprehensive and durable solution to the Cambodian problem.
4. The proximity talks between Vietnam and the CGDK, in which the Vietnamese delegation could include representatives of the Heng Samrin regime, will constitute a continuation of the endeavor and the following basic factors for a comprehensive political solution:
  - a. the withdrawal of foreign troops from Cambodia;
  - b. a UN committee for control of the troop withdrawal and to supervise elections;
  - c. reconciliation within the country;
  - d. the holding of elections under the supervision of the United Nations and self-determination for the people.

5. On 8 July 1985, Vietnam was informed of the ASEAN foreign ministers' joint communique.

6. The Thai foreign minister has never made any proposal concerning indirect talks or proximity talks between the CGDK and Vietnam. There was only one proposal made by ASEAN on 8 July 1985, which was unanimously agreed to by the ASEAN members after consultations with the CGDK. The undertaking in this regard began many months ago before the Thai foreign minister's visit to the PRC.

7. ASEAN maintains that this proposal is rational. Since Vietnam is the aggressor and Cambodia is its victim, both sides should meet because they are directly involved in the conflict.

8. The proposal indicates ASEAN's sincerity in its effort to seek a comprehensive political solution to the Cambodian problem. Vietnam's rejection of the proposal before its announcement has once again proved Vietnam's inflexibility. Vietnam's attempt to create a rift between Thailand and the other ASEAN members is the same old trick that it knows well will not work.

9. Thailand asks Vietnam to consider ASEAN's appeal for a constructive response to its proposal for the proximity or indirect talks and to accept realities and the strength of the CGDK under President Prince Norodom Sihanouk as well as the effort to seek agreement with the Coalition Government in the interest of the Cambodia people, and peace and stability in Southeast Asia as a whole.

#### AMBASSADORS COME TO BANGKOK FOR SEMINAR

##### Sitthi on ASEAN Bangkok Summit

BK260128 Bangkok THE NATION in English 26 Jul 85 p 2

[Text] Foreign Minister Sitthi Sawetsila yesterday called for a summit of the Association of Southeast Asian Nations (ASEAN) in Bangkok next year to highlight the 20th anniversary of the founding of the regional grouping.

Sitthi told reporters at the end of the week-long seminar of the Thai ambassadors accredited to 23 Asian and Pacific countries that it will be an opportune time to hold a summit of ASEAN leaders to discuss economic problems and set directions for the future ASEAN economic cooperation.

"ASEAN countries, since its establishment, have demonstrated excellent cooperation in the political field," he said.

The 19th ASEAN foreign ministers conference will be held in Manila in July next year. The Philippines this year assumes the chairmanship of the ASEAN Standing Committee.

Sitthi said that intra-ASEAN cooperation and mutual understanding had been enhanced over the years and added that if the opportunity in the future permits, Prime Minister Prem Tinsulanon and he will travel to other ASEAN countries to further cement relations with them.

ASEAN has recently increased the level of its contacts with other regional groupings, such as the South Asia Regional Cooperation and Gulf Cooperation Council, he said.

The foreign minister also expressed hope that Thailand will be able to negotiate for the opening of a new flight to New Zealand to strengthen relations with countries in the Pacific.

For the role of Thai envoys, he stressed, they should act as spokesman for Thailand. "They must provide information and rationales behind the positions taken by the Foreign Ministry on various international issues." During the meeting, Sitthi also dwelt on Thai relations with countries in the Middle East and Northeast Asia.

The envoys will today tour Thai-Kampuchean border areas in Chanthaburi and Trat provinces and will be briefed on the latest situation by senior military officials. They will also inspect the Eastern Seaboard project, the largest industrial project the Thai government has ever launched.

#### **Envoys Meet With Prem**

BK271018 Bangkok Domestic Service in English 0000 GMT 27 Jul 85

[Text] Twenty three Thai ambassadors met with Prime Minister Prem Tinsulanon at Government House this week. They were told to help boost Thai trade and improve the country's image abroad. All the 23 envoys are accredited to countries in Asia and the Pacific region. They were attending a 5-day conference at Government House before leaving for the host country. The envoys visited the Thai-Kampuchean border to observe general situation and problems the country is facing.

On economic situation, General Prem told the envoys that the government has tried to solve economic problems and improve the livelihood of the people under the principles of developing the country, being austere, and accelerating exports.

#### **FOREIGN MINISTRY DELEGATION LEAVES FOR LAOS**

BK300328 Bangkok Voice of Free Asia in English 1500 GMT 29 Jul 85

[Text] In a significant turn of events after 13 months of sour relations between Thailand and Laos, the Thai Government today sent a mission to Vientiane to explore the possibility of discussing steps toward normalization of bilateral relations which have been affected by a border dispute over three villages. Thailand's probing move was taken in response to the latest overture by Laos which came in the form of letter from Lao Deputy Prime Minister and Foreign Minister Phoun Sipaseut, who called for talks to improve relationship between the two countries. The Thai delegation, led by Director General of the Foreign Ministry's International Organization Department Nit Philbunsongkhram, today left Bangkok for a 4-day visit to Vientiane. Mr Nit will also participate in the meeting of the interim Mekong Committee in the Lao capital from 29 July to 3 August.

The Thai delegation also presented a message from Thai Foreign Minister Air Chief Marshal Sitthi Sawetsila to a senior Lao Foreign Ministry official today. The new move was regarded as the first step to show Thai sincerity toward Laos and to create an atmosphere conducive to promoting bilateral relationship.

#### **UN, NAVY OFFICIALS DISCUSS PIRACY PROBLEM**

BK260227 Bangkok THE NATION in English 26 Jul 85 p 1

[Text] Songkhla -- A representative of the UN High Commissioner for Refugees (UNHCR) yesterday lauded the anti-piracy programme as an effective deterrent to the brutalization of Vietnamese boat people in the Gulf of Thailand and promised continued UNHCR support for the project.

Gerald Walzer, the Bangkok-based UNHCR representative, was speaking at a ceremony to renew the project at the headquarters of the anti-piracy force here for the fourth year. In his speech, he said that the number of pirates preying on Vietnamese boat people had decreased significantly.

However, Walzer said that due to the pressing refugee burden elsewhere, the donor countries could not possibly increase financial aid for the programme here.

Chief of the Anti-Piracy Force, Songkhla Naval Station Commander Rear Adm Prayong Charoensuwan said that during the third phase of the programme from June last year to this June, the anti-piracy force arrested five suspects on charges of piracy. One of the suspects had been sentenced by the court and the other four are being prosecuted, according to Rear Adm Prayong.

He said his force checked 8,221 boats during the third phase. Of those, 997 were searched and a number of them were suspected of being pirate craft.

However, due to difficulty in gathering concrete evidence, only five were seized and the crews prosecuted, he said.

Rear Adm Prayong said that since the project was launched in 1981, piracy had now gone down about 77 per cent.

He complained of insufficient manpower and equipment to cover about 33,000 square kms of water, and said the force needed a 140-dwt coastal boat and patrol helicopters to take care of the area.

The programme was extended for the fourth phase with a grant of \$2.7 million from donor countries through UNHCR. A first amount of \$1.65 million has been delivered and the rest would be handed over in October this year.

#### COLUMNIST CALLS FOR POLICY INDEPENDENT OF U.S.

BK271147 Bangkok WIWAT in Thai 16-22 Jul 85 pp 56, 57

[Column by Chatcharin Chaiyawat: "A Struggle Out of the Eagle's Claws"]

[Excerpts] In the past, a visit by an American leader to this part of the world did not stir up great excitement. America's influence in this region was once strong enough for it to make decisions.

America could give order to leaders of the countries in this region -- Nguyen Cao Ky, Nguyen Van Thieu, or Ngo Dinh Diem of Vietnam or Lon Nol of Cambodia. It had access to military bases in Thailand for U.S. operations in Indochina.

In fact, most of the countries in Southeast Asia were once "colonies" of the northern group of Western countries. Anyway, things have changed, and it is no longer the same for America in this part of the world.

The growing awareness of the people in those countries under the oppression of "colonialism" or a certain kind of domination by the North against the South as well as their concern for national interests have changed the atmosphere for the old relations.

America may still have the power to "buy" leaders of the countries in this region, or may, through interference or instigation, try to overthrow them. Yet, any leader brought to power through such methods risks strong confrontation from his own people. High-level U.S. officials have admitted that it is impossible for the United States to play the old role. Popular resistance in each country is much stronger than before when the United States adopted "simple" approaches in dealing with Vietnam, Laos, or Cambodia.

During his visit to this part of the world, the most serious issue for U.S. Secretary of State George Shultz will be the economic problem, although the problem of Cambodia will also be on the agenda. Concerning this, the United States always tried to remain behind the scenes in supporting ASEAN, and it is believed that during this visit the United States will not make a greater commitment. On the other hand -- on economic -- matters -- it is known that the United States as the world leader has also suffered serious economic problems. It is no longer easy for the United States to lead in world trade and business faced with efforts to eliminate or block American influence and stronger competition in trade and political matters. It is no longer as easy for America to suck natural resources from various parts of the world as before. For its survival, the United States has even had resort to a policy of open trade protectionism to defend the interests of American businessmen and farmers.

The word "great friend" has changed its meaning with the changing international situation. Thailand, a great friend of the United States, is now aware that while it is trying to maintain trade and political influence over Thailand, control major economic sectors both through high and low technology, and push Thailand into sectors both through high and low technology, and push Thailand into adopting a policy benefiting the United States in this region, the United States itself is blocking Thailand's passage to development, for instance by trade restrictions against Thai textile and steel pipe exports, which Thailand plans to raise as a matter of priority in talks during the visit by George Shultz.

It is out of goodness that the Thai Government, which was once also under the dictate of the United States, is showing enthusiasm in seeking an end to its imbalanced relations with this great friend. From now on there is no need for Thailand to bend for the big brother and there is no need to worry that the government's stability will be shaken if Thailand adopts a policy conflicting with U.S. interests.

It is now difficult for America to resort to the old method of influencing and pushing anyone to power to safeguard American interests. "Made in America" governments hardly survive in any country now.

MOVEMENT LAUNCHED TO ASSIST BORDER PROVINCES

BK291425 Hanoi International Service in English 1000 GMT 29 Jul 85

[Text] A movement to assist border provinces which are fighting against Chinese aggressors has been launched throughout Vietnam. Due to China's hostile policy toward Vietnam and its armed provocations, the life of the people of all nationalities in Vietnamese northern border provinces is unstable. That is why the Vietnamese people throughout the country have assisted those provinces to improve the people's lives, develop economy, and firmly defend the borderline. Hundreds of millions of dong -- Vietnamese currency -- have been collected through fund-raising campaigns to be sent to the six northern border provinces. Ho Chi Minh City and Hanoi have sent their materials and money to help the northern province of Lang Son to build schools and hydroelectric power stations.

NHAN DAN NOTES CHINESE PROVOCATIONS IN HA TUYEN

BK301045 Hanoi International Service in English 1000 GMT 30 Jul 85

[Text] The national leading paper NHAN DAN Tuesday praised soldiers on the northern frontier for pushing five drives of incursion by Chinese troops in Ha Tuyen Province. The paper reported that Sergeant (Vu Dinh Long) when he [word indistinct] had fought courageously on Height X, wiping out more than 200 Chinese troops in a day and firmly defended the northern frontier.

In another report NHAN DAN denounced Chinese troops for mining the Lo River in Vietnam. Many Vietnamese civilians were reportedly wounded while gathering firewood downstream. Five of them were brought to the Viet Tri hospital, having lost either arms or legs. Mrs Tran Thi An, a mother of five said, she lost her right leg on 12 July.

NGUYEN VAN LINH INSPECTS TEXTILE ENTERPRISE

BK300924 Hanoi NHAN DAN in Vietnamese 7 Jul 85 pp 1, 4

[Text] On 5 July 1985, Comrade Nguyen Van Linh, member of the party Central Committee Political Bureau [title as published] and secretary of the Ho Chi Minh City party committee, visited and inspected the implementation of the production plan at Textile Enterprise No 3 of the Hong Gam Union of Textile Enterprises in Ho Chi Minh City. Comrade Nguyen Van Than, director of the Textile Enterprise No 3, reported to Comrade Nguyen Van Linh on the fulfillment of the enterprise's plan for the 1st 6 months of the year and the measures adopted to overcome difficulties, abolish bureaucratism and state subsidies, definitely shift to the socialist accounting and business system, and implement the resolution of the fifth party Central Committee's eighth plenum.

Addressing the cadres and workers of the enterprise, Comrade Nguyen Van Linh commended their achievements and welcomed their resolve to abolish bureaucratism and state subsidies, formulate plans from the grass-roots level up, boldly borrow money for use as initial capital, and achieve the integration of import and export activities to increase the imports of raw materials and supplies in order to balance their production plans. Owing to this operational method, in 1983 the enterprise procured sufficient raw materials by itself to produce 1 million meters of cloth. Along with renovating the management system, the enterprise has paid attention to making more investment for new technology and importing more high-pressure dyeing machines and pattern-making equipment to close the entire production chain. This has helped improve the quality of fabrics.

Although the fabrics production plan was fulfilled by a higher percentage compared to the same period last year, the enterprise still faced many difficulties in fulfilling the plan for the first 6 months of 1985. The main causes were that the formulation of plans from the grass-roots level up was still carried out on the basis of state subsidies; that many sectors of the city such as the planning, foreign trade, and banking sectors were slow to introduce changes to meet new requirements; and that the management system still had numerous irrational features which hampered production and business operations. Results cannot be achieved if the basic units are left to fend for themselves in the task of formulating production plans from the grass-roots level up.

Comrade Nguyen Van Linh pointed out: The enterprise should expand the market for its products, improve the marketing methods to make them more suitable, and procure sufficient raw materials for production. The enterprise should take the initiative in proposing the building up of its own capital, and readjust its profits and norms in accordance with the spirit of the resolution of the party Central Committee's eighth plenum.

Concerning the inclusion of all production expenses in the manufacturing costs of products, Comrade Nguyen Van Linh advised: The enterprise should pay attention to cutting management expenses and reducing the consumption of supplies. The practice of economic accounting in an enterprise must result in lower production costs; the elimination of unnecessary spending; the saving of supplies, fuel, and raw materials; and the promotion of the scientific and technical revolution. The enterprise should hold a congress of workers and office employees to discuss measures aimed at combating bureaucratism and state subsidies and definitely shifting to the socialist economic accounting and business system.

#### OPENING OF MOSCOW YOUTH FESTIVAL OBSERVED

##### Pham Van Dong Greets Festival

OW271530 Hanoi VNA in English 1454 GMT 27 Jul 85

[Text] Hanoi VNA July 27 -- Chairman of the Council of Ministers Pham Van Dong has extended warmest greetings to 12th World Youth and Students' Festival due to be opened in Moscow today. His congratulatory message says:

"Your festival held in Moscow, capital of peace and friendship, at a time when the world situation remains strained is an event of great political importance. The festival is a demonstration of great strength and a strong common voice of young people from the five continents. It aims to promote their mutual understanding and strengthen their solidarity in the fight against the warlike imperialists and other reactionary forces to avert and abolish the danger of a nuclear war, for a lasting peace, national independence and social progress, and for a bright future of the young generation.

"After more than 30 years of wars, we Vietnamese youth and people have only the earnest desire, i.e. to live in peace, independence and freedom to rebuild our countries 'more beautiful and prosperous' in line with the late esteemed President Ho Chi Minh's testament, thus making active contributions to the cause of peace and security in Southeast Asia, Asia and elsewhere in the world.

"Strong with great support and assistance from the Soviet Union, other fraternal and friendly countries and the progressive people throughout the world, the Vietnamese people have surmounted all difficulties and trials caused by imperialism, hegemonism and expansionism to achieve ever greater and steadier success in building socialism and defending the fatherland".

The message expresses sincere and profound thanks to the youth and people of all countries in the world for their heartfelt support to the Vietnamese people. It wishes the 12th World Youth and Students' Festival brilliant success.

#### NHAN DAN Commentary

OW291215 Hanoi Domestic Service in Vietnamese 1100 GMT 27 Jul 85

[Text] Under the title, "Youth for Solidarity Against Imperialism, for Peace and Friendship," a commentary in today's NHAN DAN says: Moscow, where 5 years ago today the marvelous Olympics took place, is jubilantly celebrating the opening of the 12th World Youth and Students Festival. This grand meeting of youths from all five continents is one for solidarity against imperialism, for peace and friendship. It is a powerful show of force of the world youth, an activity aimed at achieving solidarity and massively rallying the youth forces in the common struggle for peace, national independence, democracy, and social progress, for the bright future of the younger generation, for friendship among nations. The festival, as it takes place in the international year of youth, takes on a more profound significance.

The world's youth and peoples are living in a pretty complex world. Imperialism, headed by U.S. imperialism, and world reactionary forces are engaged in an arms race, preparing for a nuclear war, intensifying their effort to militarize space, while repressing and threatening national independence movements, thus creating a grave, extremely tense situation on the planet. They are also seeking ways to entice, bribe, and poison the minds of youths, corrupt them, arouse their base instincts, make them forsake the youths of various nations. Their warlike, militarist, and reactionary policy is posing a direct threat to the interests, happiness, future, and lives of youth.

Struggling against imperialism and reactionaries, preserving peace, and consolidating friendship among nations has become the foremost task of youth. The 40,000 youth delegates from 130 countries of all continents, of different political, religious, national tendencies, and political views, who are present today at the festival, speak of their aspirations, thoughts, and feelings. The presence of large numbers of delegates proves the failure of the imperialists' and reactionaries' scheme to sabotage the festival.

Our country's youth delegation is bringing to the festival beautiful images of the Vietnamese youth building and defending their socialist fatherland, feelings of solidarity and friendship with Soviet youth and the youths from all five continents, and their determination to make positive contributions to the success of the festival. Our youth have over the past many months welcomed the Moscow youth festival with outstanding achievements in productive labor, combat readiness and actual fighting, and in study and work. Our youth are happy and very proud to inherit the heroic tradition of our nation and our forefathers, and to be educated and forged by the party and Uncle Ho. They are collective masters of the new society who have a firm faith as a shock force in building a glorious future for themselves and the nation.

Welcoming the 12th festival, our youth, with their love of country and socialism and the spirit of socialist internationalism, will thoroughly grasp the spirit of the resolution of the Political Bureau on the youth task. They are determined to devote all their feelings, wisdom, and youthful ardor to building the nation and defending the socialist fatherland and, for the immediate future, to implement the eighth resolution of the party Central Committee and eagerly take the van in abolishing the bureaucratic subsidy-based system of management and definitely shifting to socialist economic accounting and business transactions.

VPA GENERAL'S ARTICLE MARKS MISSILE FORCES DAY

BK280733 Hanoi Domestic Service in Vietnamese 2330 GMT 23 Jul 85

["Excerpt of important contents" of article by Major General Tran Nhan, commander of the Air Defense Forces]

[Text] In the two fights against the U.S. imperialists' war of destruction waged mainly by their Air Force, the air defense missile troops participated in many battles and campaigns to protect vital positions, communications, and transportation. Operating in combined arms units, they scored outstanding achievements in performing any tasks, fighting well in many complex and fierce circumstances, and winning victories during both daytime and nighttime on all battlefields, in all topographical conditions, and in all kinds of weather.

In some battles, they destroyed two U.S. aircraft with a single missile, in another engagement they completely wiped out a 3-aircraft formation. On one particular night they shot down eight B-52 strategic bombers in a row. During the 12-day-and-night air defense campaign in late December 1972 in particular, the missile forces fought very well, very courageously, and very creatively. Acting in close coordination with other people's armed forces, they completely smashed the strategic blitz conducted mainly with B-52 bombers by the U.S. aggressors against the Hanoi capital and Haiphong City. With this victory, the missile troops proved themselves worthy of being the core force credited with achieving the resounding exploit that gave Hanoi the name of an aerial Dien Bien Phu and the stature of a modern-day Bach Dang, Chi Lang, and Dong Da, thereby contributing to creating a decisive turning point in our nation's great anti-U.S. war of resistance for national salvation.

From their founding to the day the war ended, the air defense missile forces shot down more than 800 U.S. aircraft of 38 different models and types -- including 57 B-52 strategic bombers, many of which crashed on the spot -- and captured or annihilated many aggressor pilots. On account of their achievements, on 11 January 1973, immediately after their historic 12-day-and-night victory, the Vietnamese air defense missile forces were honored by the party and state with the glorious title of Heroic Unit of the People's Armed Forces, the first arms branch of the VPA to receive this lofty title. In addition, 14 collectives -- including 5 regiments, 8 battalions, and 1 company -- and 12 cadres and combatants of the forces have been awarded the title of Hero of the People's Armed Forces.

The victories of the Vietnamese air defense missile forces were the victories of our party's correct and creative political and military lines and of Vietnamese military science, a Marxist military science that has outstandingly carried on our ancestors' tradition of resourceful and skillful struggle against aggressors. In our Army, although the missile forces were the branch most recently founded, they had at their disposal the most modern science and technology. What combat tactic should they employ in the specific conditions of the Vietnamese theater? From the outset, while the forces were still undergoing training, five strong missile positions were built in strict accordance with technical requirements around Hanoi. The question being raised then was: Where should the missile forces fight their first battle?

More than a few people thought that missiles must be placed on solid launching pads installed at strong positions to defend important targets such as Hanoi. Furthermore, missile equipment was composed of thousands of sophisticated electronic components that could not take long trips over mountainous and hilly areas. However, the Military Commission of the CPV Central Committee and the VPA High Command resolutely decided to organize the first fight by the missile forces at a point 60 km from Hanoi.

As it later turned out, it was at this palace that the U.S. aggressors were dealt a stunning surprise blow: They never suspected that the Vietnamese missiles would make the first appearance in the mountain area of Son Tay. With their first salvos, the missile forces shot down the 400th U.S. aircraft in the north. Less than 3 weeks later, on the night of 11 August 1965, Vietnamese air defense missiles appeared in Ninh Binh, neatly blasting a formation of three F-4's out of the sky. While the enemy had not yet recovered from the shock, SAM-2 missiles turned up again in the mountain area of Yen Bay, smashing to smithereens the 18th U.S. Air Force Squadron as it was attempting to launch a raid against the Mau A railway station, shooting down on the spot two F-105's.

In September 1965, missiles burst forth in the sky of Song Hoa, Ha Bac Province. In October the same year, they came to Haiphong, recording their first exploit in the port area. In December, they showed themselves in Quang Ninh. On the night of 22 December 1965, from the launching pads installed on the banks of the Bach Dang River, the heroic 81st Battalion shot down 2 enemy aircraft, right in the area where Tran Hung Dao and the people and Army under the Tran Dynasty won the resounding Bach Dang victory 700 years before.

The Vietnamese air defense missile forces' victories were the victories of the spirit of overcoming difficulties and braving all hardships and of the will to strive for the mastery of science and technology instead of resigning oneself to helplessness and complacency. They were the victories of the wonderful people's battle arrays and of the solidarity in combat among the three categories of troops of the People's Armed Forces. The Vietnamese air defense missile forces victories were also the victories of international solidarity and the great militant friendship between the peoples and Armies of Vietnam and the Soviet Union.

Celebrating the 20th glorious traditional day of the heroic missile forces, each missile cadre and combatant takes even greater pride in their illustrious tradition, realizes even more clearly their weighty responsibilities, and makes every effort to be worthy of the teaching of the party and Uncle Ho and of the people's fostering. Proud of their glorious tradition over the past 20 years of building and growth, the missile forces remember all the more clearly the teachings of the boundlessly beloved and venerated Uncle Ho during his visit to them on 26 August 1965: You must maintain solidarity and have resolve. Victory is possible only if there is solidarity. Difficulties can be overcome and victory achieved only if there is resolve.

The missile forces also remember the advice given by esteemed Comrade General Secretary Le Duan when he called on the air defense service on 16 December 1982, on the occasion of the 10th anniversary of the victory over the U.S. B-52 blitz: The greater the pride you take in your past glorious victories, the more modesty you must show in studying and training, in upholding the spirit of discipline and the sense of collective mastery, and in preserving and developing the fine character of Uncle Ho's soldiers. You must always be worthy of the trust and love of the people and party.

Celebrating their glorious traditional day, together with the entire Armed Forces and people, the missile forces pledge to be constantly on the alert, maintain high combat readiness, actively undergo technical and tactical training, and regularly improve their knowledge of modern military science. This is to ensure that, under any circumstances, the missile forces will win victory right in the first battle and right in the first frontline; that they will continually win victories; and that they will destroy large enemy air forces if they recklessly violate the airspace of our sacred fatherland.

LEADERS GREET CUBAN NATIONAL REBELLION DAY

OW260841 Hanoi VNA in English 0810 GMT 26 Jul 85

[Text] Hanoi VNA July 25 -- Vietnamese leaders today sent their warmest greetings to Fidel Castro Ruz, first secretary of the Communist Party of Cuba, president of the Councils of the State and of Ministers of the Republic of Cuba on the 32nd Day of National Rebellion (July 26).

The message jointly signed by Le Duan, general secretary of the Communist Party of Vietnam Central Committee; Truong Chinh, president of the State Council; and Pham Van Dong, chairman of the Council of Ministers, says:

"The assault on the Moncada barracks on July 26, 1963, marked an important historic turning point in the protracted and extremely valiant struggle of the Cuban people, heralding the complete collapse of the dictatorial regime, lackey of the U.S. imperialists, and the ultimate victory of the revolution which led to the founding of the first socialist state in the Western hemisphere.

"Inheriting and developing the invincible spirit of Moncada, over the past 26 years under the correct leadership of the Communist Party of Cuba headed by you, the Cuban people have braved all difficulties and sacrifices, working with self-abnegation, standing ready to fight and foil all hostile schemes and moves of U.S. imperialism, and firmly defending socialist Cuba, they have obtained great and comprehensive achievements in national construction and in the implementation of their internationalist duty towards to the defence of peace in Latin America and the rest of the world.

"As close comrade-in-arms of the fraternal Cuban people, the Vietnamese people are greatly elated at and consider them their own.

"We note with joy that the exemplary and pure relations, the sincere and fruitful cooperation, and the militant solidarity between our two parties and peoples, which have been tested over the past 25 years, have constantly consolidated and developed in all fields.

"We would like to affirm once again that the Vietnamese people will always stand beside their fraternal Cuban people in the common struggle against U.S. imperialism and firmly believe that every hostile plot and move of the Reagan administration against Cuba will certainly be defeated by the Cuban people, and that the Republic of Cuba will continue advancing along the path of socialism.

"On this occasion, we would like to express our sincere gratitude to the Cuban party, government and people, especially you personally, for their vigorous support and generous assistance to the Vietnamese peoples revolutionary cause.

"May the Cuban people win many new and still greater success in their cause of national construction and defence, and obtain practical achievements in their labour emulation movement in anticipation of the 3rd congress of the glorious Communist Party of Cuba.

"May the militant solidarity, fraternal friendship and cooperation between our two parties and peoples further consolidate and develop".

On this occasion, Chairman of the National Assembly Nguyen Huu Tho and Foreign Minister Nguyen Co Thach have sent messages of greetings to their Cuban counterparts. Flavio Bravopardo and Isidoro Malmierca Peoli respectively.

HANOI ELABORATES ON NORTHERN GRAIN DELIVERY

BK260959 Hanoi Domestic Service in Vietnamese 2300 GMT 23 Jul 85

[Text] As of 20 July the northern provinces and cities had delivered to state granaries an amount of grain equivalent to 100.4 percent of the original total grain procurement norms for the 1985 5th-month spring crop season. This amount includes 305,000 metric tons of paddy collected as agricultural tax -- some 84 percent of the planned norm -- and 11,000 metric tons of subsidiary crops converted to paddy equivalent.

A total of 10 provinces and cities -- Nghe Tinh, Thanh Hoa, Hanoi, Vinh Phu, Ha Nam Ninh, Hai Hung, Ha Bac, Haiphong, Ha Son Binh, and Thai Binh -- have fulfilled or exceeded the original total grain procurement norms for the 1985 5th-month spring crop season. Nghe Tinh and Thanh Hoa alone have also fulfilled or exceeded the additional norms entrusted by the central government. Nghe Tinh has delivered 100,000 metric tons of grain to state granaries, fulfilling the original norm by 125 percent and exceeding the additional norm by 500 metric tons. Thanh Hoa has delivered 105,000 metric tons to state granaries, exceeding the original norm by 17 percent and fulfilling the additional norm.

Except for Nghe Tinh and Ha Nam Ninh which have not yet been assessed, Thanh Hoa, Vinh Phu, Hanoi, Ha Bac, Ha Son Binh, Hai Hung, and Thai Binh have fulfilled or exceeded the tax collection norms for the 1985 5th-month spring crop season.

Due to the harvesting of rice behind schedule, the delivery of grain to state granaries in the mountain provinces remains slow. To date, these provinces have been able to procure only 23,000 metric tons of grain, representing 39 percent of the planned norm. To date, Quang Nam-Da Nang -- which takes the lead among other mountain provinces in grain delivery -- has delivered 5,100 metric tons of grain to state granaries, fulfilling 85.5 percent of the total grain procurement norm for the 5th-month spring crop season. Bac Thai, one of the two mountain provinces with the largest amount of grain, has also delivered 7,500 metric tons to state granaries, fulfilling 68 percent of the planned norm.

The three provinces which have delivered the smallest amount of paddy to state granaries are Lang Son, Cao Bang, and Ha Tuyen. To date, Lang Son has delivered to state granaries only 360 metric tons, 7 percent of the planned norm; and Ha Tuyen 1,600 metric tons, 16.4 percent of the planned norm.

The Ministry of Food urged that Hanoi, Thai Binh, Ha Nam Ninh, and Hai Hung, after fulfilling the original total grain procurement norms, should concentrate guidance on using all the existing materials under the 2-way economic contracts to purchase grain, striving to successfully fulfill the additional norms entrusted to them by the ministry.

Meanwhile, those mountain provinces which still have not fulfilled the total grain procurement norms must closely coordinate and effectively develop the combined strength of various sectors and echelons along with using money, goods, and materials on a priority basis to procure and purchase grain, striving to successfully fulfill the grain procurement plan for the 5th-month spring crop season.

AUSTRALIAU.S. SUPPORT FOR NUCLEAR TEST BAN TREATY CITED

BK280716 Melbourne Overseas Service in English 0830 GMT 28 Jul 85

[Text] Australia has gained U.S. acceptance of its program of work towards a comprehensive nuclear test ban treaty. The turnaround came at the United Nations Conference on Disarmament in Geneva and follows 2 years of stalling by the Americans in both the UN General Assembly and the Geneva conference. The United States has now put its signature to a plan tabled in the conference by Australia's ambassador for disarmament, Mr Richard Butler.

Mr Butler told AUSTRALIAN ASSOCIATED PRESS [AAP] that Australia hoped other members of the conference would recognize this breakthrough and agree to work under the program. Australia has been pressing for progress towards such a treaty since such a move was passed in the UN 2 years ago and endorsed again last year. The United States abstained on both occasions.

AAP says the Soviet Union has said it wants an immediate negotiation of the text for such a treaty -- a position the UN [as heard] has opposed on the grounds that verification procedures to ensure that the treaty is adhered to be worked out first. Australia has been appointed subject coordinator for the western group on the issue -- a move which is seen as a major endorsement of its lead role.

DEFENSE CHIEF SEES LITTLE GAIN FROM SDI RESEARCH

BK291252 Melbourne Overseas Service in English 1230 GMT 29 Jul 85

[Text] The chief of the Armed Forces, General Sir Philip Bennett, says Australia would gain little from participating in the American space defense program. General Bennett said in Perth he believed the high technology involved in the Strategic Defense Initiative [SDI] research in the United States would have limited or no application to Australia's requirements for independence defense.

However, he said high technology in other forms would become a valuable asset to Australia's defense capacity. General Bennett thought that high technology was going to be a solution to Australia's defense problems resulting from the country's small population relative to its Asian neighbors. He said Australia's defense lay in advanced weapons systems, aircraft, and air and ground mobility.

NEW ZEALANDLANGE REJECTS FRENCH CHARGES ON AIRSPACE INTRUSION

HK300117 Wellington Overseas Service in English 0000 GMT 30 Jul 85

[Text] French diplomats say it's unlikely any further action will be taken over a New Zealand Air Force Orion which allegedly violated New Caledonia's airspace last week on a search for the missing yacht Ouvea. France has formally notified New Zealand of the alleged intrusion, and diplomatic sources expect that this will end the matter. The Orion was on its way to Fiji last Thursday when it was diverted to search for the Ouvea, whose crew are being sought on murder and other charges over the Rainbow Warrior bombing.

The prime minister has rejected French charges that the Air Force Orion violated New Caledonian airspace. Mr Lange says there was no intrusion whatsoever, and the French authorities were advised before the flight, and it was carried out with their full cooperation.

New Zealand's consul-general in Noumea, (Sara Dennis), says there's nothing unusual in the latest security measures taken to guard our diplomats in New Caledonia. Two police officers from New Zealand have gone to the French territory to guard New Zealand diplomats. [Words indistinct] countermeasures have been taken at the diplomatic post for some time, although she would not be drawn on whether or not this is due to the clashes between pro- and anti-independence groups. She said that already there is very strong feeling in New Caledonia that the press in New Zealand is anti-French. She hopes the presence of the police officers won't be a cause of over-reaction.

FEARS OF 'BACKFIRE' AGAINST EXPORTS TO U.S. 'UNFOUNDED'

HK300119 Wellington Overseas Service in English 0000 GMT 30 Jul 85

[Text] Fears that the government's stand against visits by American nuclear warships might backfire on our primary produce exports to the United States so far appear to be unfounded. At the time the issue arose there was widespread speculation that the American market for our primary products might be affected. [passage indistinct] Dairy Board spokesman Neville Martin said while the anti-New Zealand lobby still exists, sales of produce continue unabated.

ANTINUCLEAR LEGISLATION TO BE INTRODUCED THIS YEAR

HK250247 Wellington THE EVENING POST in English 19 Jul 85 p 4

[Text] The Government will introduce anti-nuclear legislation before the end of the year, the Prime Minister, Mr David Lange, said yesterday.

But the passage of the legislation would be taken at a measured pace, he said.

He told a post caucus press conference that rushed legislation on the controversial issue, like a "one-off, king-hit without consultation and disclosure," might be seen as a calculated snub to the United States.

And he said that the legislation could be delayed if some matter arose which involved the critical interest of the country and timing was imperative. "Then only a lunatic would press on according to some agenda which the country's interests ought to supersede," he said.

To rush the anti-nuclear legislation could help people who wanted to undermine the relationship between New Zealand and the United States.

If New Zealand suddenly introduced the legislation, it would be seen as a form of rude gesture. He said the United States would be supplied with a copy of the proposed legislation.

SUHARTO ISSUES DIRECTIVE ON TRADE WITH PRC

BK291621 Jakarta THE JAKARTA POST in English 25 Jul 85 p 1

[Text] Jakarta (JP): President Suharto has issued a new instruction to various ministries in a bid to help expedite direct trade with China before the Indonesian Chamber of Commerce and Industry (Kadin) leaves Friday on the nation's first trade trip to Beijing in 18 years.

Presidential instruction No. 9/1985, issued Tuesday was sent to six ministers, the Armed Forces commander, the Central Bank governor and chief of the National Intelligence Agency (Bakin), asking them to help facilitate Kadin's efforts in promoting trade between two of Asia's largest countries.

The Kadin delegation was expanded to 94 members at the last moment from the original 80 in order to include officials of state banks and trading companies. Kadin Chairman Sukamdani Gitosarjono will head the trade delegation.

The instruction follows a memorandum of understanding signed in Singapore July 5 by Kadin and its Chinese counterpart, the Chinese Council for the Promotion of International Trade (CCPIT). Both governments have now approved the document.

The presidential instruction states that in principle, all trade commodities can be exported to China by sticking to the regulations already set out by the Indonesian government as well as by other international trade agencies. Likewise, all Chinese goods can be imported as long as the imports do not violate the government's regulations protecting domestically produced goods.

Other regulations set out in the new presidential instruction, govern terms of payment (convertible currencies), shipments of goods on both Indonesian and Chinese vessels, and ports of call for Chinese ships.

Aside from the four harbors already designated by the Indonesian government -- Belawan in Medan, North Sumatra, Tanjung Priok in Jakarta, Tanjung Perak in Surabaya, East Java, and the Ujungpandang harbor in South Sulawesi -- commodities can also be brought in through other harbors, which will be named later.

The instruction also says that crewmen from Chinese vessels will be allowed shore leave in the four designated port cities.

Touching on the visa issue, the instruction states that Chinese businessmen may visit Indonesia if invited by Kadin or other Indonesian trade agencies and vice-versa. Sinar Harapan daily quoted Kadin's general chairman Sukamdani S. Gitosarjono as saying that the chamber received a telex from CCPIT that the Chinese government has agreed to the memorandum of understanding between the two business groups signed earlier this month.

"Now that the two governments have approved the contents of the memorandum, Kadin and CCPIT will decide as to when the memorandum will become effective," Sukamdani said, adding that the decision will probably be made in Beijing at the end of this month.

Indonesia cut off diplomatic and trade relations with China in 1967, two years after an abortive coup sponsored by the Indonesian Communist Party (PKI) which Beijing was accused of supporting.

ENRILE STILL WANTS TO ABROGATE BASES TREATY

HK291323 Hong Kong AFP in English 1305 GMT 29 Jul 85

[Text] Manila, July 29 (AFP) -- Defense Minister Juan Ponce Enrile today said he would still push for the abrogation of Manila's military bases agreement with Washington, despite a U.S. Congress decision to grant more military aid to the Philippines.

In an interview broadcast by GMA television here, Mr Enrile said he and 82 M.P.s of the ruling New Society Movement (KBL) Party who supported him intended to pursue the demand for abrogation which has been tabled at the national assembly.

Under an agreement signed in 1983, Washington pledged to give 900 million dollars in economic and military aid to Manila from fiscal 1985 to 1989 as compensation for the use of Clark Air Base and Subic Naval Base, the largest foreign U.S. bases.

Mr Enrile had filed the resolution in reaction to a U.S. House of Representatives proposal to press for democratic reforms in President Ferdinand Marcos' government by cutting military aid for fiscal 1986 to 25 million dollars.

The Senate backed the Reagan administration's proposal for 100 million dollars in military aid, and the two houses Friday agreed to a compromise of 70 million dollars in military aid and 110 million dollars in economic assistance.

"The resolution that we filed... calling for the abrogation and the renegotiation of military bases agreement between the Philippines and the United States was not a resolution calling for an action or reaction in Washington," Mr Enrile said.

He said it was "an honest effort" to put in clear terms the stipulations of the 1983 agreement which Manila claims are violated every time the U.S. Congress alters the administration's yearly proposal.

The agreement expires in 1991, after which each party has the option to call for an abrogation of a renegotiation of the pact.

Mr Enrile has maintained that the resolution was not the government's position although he got the support of almost half of the 183-member assembly. Mr Marcos has not issued a statement on the congress compromise.

Asked if he thought Mr Enrile would make good his promise, opposition M.P. Homobono Adaza told AGENCE FRANCE-PRESSE: "I think it would be buried... because they have succeeded in blackmailing the American Congress."

Commentator on Bases Issue

HK300423 Quezon City Maharlika Broadcasting System in English 0100 GMT 30 Jul 85

["Analysis of the News" by Teodoro Valencia]

[Text] You have read it in all the morning papers today, and on television and radio last night. Ambassador Bosworth of the United States told newsmen at the Kapihan sa Maynila [Manila Coffeeshop] at the Manila Hotel yesterday that the United States Government will honor all her commitments under the U.S.-R.P. bases agreement.

In other words, they'll pay the rent as agreed upon, but the U.S. will insist upon terming it aid, not rental. But the American [words indistinct] department of the President's office does not answer for the actions of the Congress of the United States. He agrees that the bases agreement and all other treaties between the U.S. and the Philippines [words indistinct] be amended, but what else could Bosworth say? Because Filipinos are determined to stress the idea that they are in a position [words indistinct].

[Words indistinct], he was determined to push through the resolution that he filed in the Batasang Pambansa calling for a renegotiation, a review, a reassessment of Philippine-American relations. Enrile said that he is all the more convinced, after what happened in the U.S. Congress before the conference committee, most of all during the deliberations in the House of Representatives. These things should never be repeated, according to Minister Enrile, because the only result would be to hurt the Filipinos and convince them that the United States is not a friend but an occupying force, or perhaps a conqueror. I hope that the Batasang Pambansa will find the time to look into these various resolutions. After all, Speaker Yniguez and Minority Leader Jose Laurel Jr have agreed that the idea of renegotiating or clarifying the Philippine-American bases agreement and mutual defense arrangements should be pushed through.

Now it is something that has seeped into the lower levels of our society. Even jeepney drivers, cargadores [stevedores], and market vendors are talking about renegotiation of Philippine-American agreements to avoid any further insults to our country and to prevent more intervention on the part of the American ambassador, the American congressmen, and other [word indistinct] leaders in the United States -- more particularly, Filipinos who fancy themselves as Americans.

#### LOAN RESTRUCTURING AGREEMENT SIGNED WITH U.S.

HK291344 Manila Far East Broadcasting Company in Tagalog 1000 GMT 29 Jul 85

[Text] The Philippines and the United States have signed a restructuring agreement. The accord stipulates that the Philippines will pay 80 percent of a \$270 (million) loan within the next 10 years, with a grace period of 5 years included in the terms.

Signing for the Philippines was Prime Minister Cesar Virata and U.S. Ambassador Stephen Bosworth for the United States. The U.S. is one of the members of the Paris Club with which the Philippines has negotiated for the restructuring of a \$1.1 billion loan.

#### WORLD BANK REPORT ON FOREIGN LOAN MISUSE CITED

HK261445 Manila BUSINESS DAY in English 26 Jul 85 p 16

[Excerpts] The investigation into the foreign investments of top government officials and others must include a report by the World Bank on the irregular use of foreign loans and aid to the country, 54 opposition members of the Batasang Pambansa said yesterday. President Marcos earlier ordered Justice Minister Estelito P. Mendoza and acting Foreign Minister Pacifico A. Castro to spare no one in the pursuance of their investigation on the basis of reports by the SAN JOSE MERCURY NEWS and other publications.

Mendoza and Castro have started their inquiries which they said will also cover investments and landholdings of Filipinos abroad.

In a press statement, the MPs said the World Bank's Report No. 4912-PH in September 1984 "contains very revealing and explosive facts on the misuse of foreign loans and aid to the Philippines. The World Bank report pointed out that substantial portions of the massive buildup in the country's foreign debt from 1978 to 1982 may have been part of the capital taken out of the country," they said.

They said the report stressed that more than one-half or \$13.7 billion of the country's outstanding foreign debts of \$24.8 billion as of the end of June, 1984, were incurred only in the five-year period from 1978 to 1982. This obligation, the solons said, has ballooned into more than \$30 billion now, or 1,072 percent more than the \$2.8 billion outstanding foreign debt at the end of 1972.

They said the World Bank report even pointed out that \$3.1 billion of the country's foreign debt has been unexplained, and might not have actually reached the country. They said the report stated that this amount "may have indirectly financed the acquisition of real or financial assets abroad that were imperfectly recorded in the Philippines's balance of payments."

"Inasmuch as the peso was largely fixed during the period, despite the weakening of the current account, speculative outflows appear to have been an element of capital flight," the solons said quoting the report. They said the report will provide accurate means of estimating the total amount of capital flight as well as the amounts siphoned off from foreign loans and aid.

"These amounts siphoned off have been charged as part of the country's debts whose proceeds were never remitted but retained abroad for the purchase of real estate and other properties, or merely deposited in secret bank accounts of some top government officials and their cronies," the solons stated. They stressed that "considering the urgency and great importance of establishing the truth about these hidden and illegally acquired wealth, the World Bank report must be referred to and made extensive use of the investigations. This is of extreme importance in endeavors to stop the massive graft, corruption, mismanagement, and other irregularities that enriched only presidential cronies and their relatives whose nefarious activities have brought the country to the brink of economic and social collapse," the solons concluded.

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